RED HERRING PROSPECTUS
Please read Section 60B of the Companies Act, 1956
Dated July 9, 2010
100% Book Built Offer

ENGINEERS INDIA LIMITED

Our Company was originally incorporated in New Delhi on March 15, 1965 under the Companies Act, 1956, as a private limited company under the name 'Engineers India Private Limited' pursuant to a formation agreement dated November 20, 1964 and in accordance with a memorandum of agreement dated June 27, 1964 between the Government of India and Bechtel International Corporation. Our Company became a public company pursuant to a special resolution of the shareholders at an EGM held on October 30, 1996.
For details of changes in our name and registered office, see the section "History and Corporate Structure – Changes in the Registered Office" on page 133.

Registered and Corporate Office: Engineers India Bhawan, 1, Bhikaiji Cama Place, New Delhi 110 066, India.
Telephone: +91 11 2676 2121
Facsimile: +91 11 2619 1690
Website: www.engineersindia.com
Contact Person and Compliance Officer: Dr. R. Soundararajan
E-mail: company.secretary@eil.co.in

THE PROMOTER OF OUR COMPANY: PRESIDENT OF INDIA, ACTING THROUGH THE MINISTRY OF PETROLEUM AND NATURAL GAS, GOVERNMENT OF INDIA

FURTHER PUBLIC OFFER OF 33,693,660 EQUITY SHARES OF Rs. 5 EACH THE "(EQUITY SHARES") OF ENGINEERS INDIA LIMITED ("EIL" OR "OUR COMPANY") THROUGH AN OFFER FOR SALE BY THE PRESIDENT OF INDIA, ACTING THROUGH THE MINISTRY OF PETROLEUM AND NATURAL GAS, GOVERNMENT OF INDIA (THE "SELLING SHAREHOLDER") FOR CASH AT PRICE OF Rs. [●] AGGREGATING Rs. [●] MILLION (THE "OFFER"). THE OFFER COMPRISES A NET OFFER TO THE PUBLIC OF 32,981,660 EQUITY SHARES (THE "NET OFFER") AND A RESERVATION OF 712,000 EQUITY SHARES FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREINBELOW) (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER SHALL CONSTITUTE 10% OF THE POST OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY AND THE NET OFFER SHALL CONSTITUTE 9.78% OF THE POST OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY

THE FACE VALUE OF EQUITY SHARES IS RS. 5 EACH. THE PRICE BAND, RETAIL DISCOUNT, EMPLOYEE DISCOUNT AND THE MINIMUM BID LOT WILL BE DECIDED BY THE COMPANY AND THE SELLING SHAREHOLDER IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND ADVERTISED AT LEAST ONE WORKING DAY PRIOR TO THE OFFER OPENING DATE. INVESTORS MAY BE GUIDED IN THE MEANTIME BY SECONDARY MARKET PRICES.

THE COMPANY AND THE SELLING SHAREHOLDER IN CONSULTATION WITH THE BRLMS MAY DECIDE TO OFFER DISCOUNT OF RS. [●] TO THE OFFER PRICE TO THE ELIGIBLE EMPLOYEES AND RETAIL INDIVIDUAL BIDDERS ("RETAIL AND EMPLOYEE DISCOUNT") THE EXCESS AMOUNT PAID AT THE TIME OF BIDDING SHALL BE REFUNDED TO THE RETAIL INDIVIDUAL BIDDERS AND ELIGIBLE EMPLOYEES

In case of any revision in the Price Band, the Bidding Period shall be extended for three additional Working Days after such revision of the Price Band, subject to the total Bidding Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bidding Period, if applicable, shall be widely disseminated by notification to the Self Certified Syndicate Banks ("**SCSBs**"), the National Stock Exchange of India Limited (the "**NSE**") and the Bombay Stock Exchange Limited (the "**BSE**"), by issuing a press release in [●] editions of [●] and [●] and also by indicating the change on the website of the Book Running Lead Managers and the terminals of the other members of the Syndicate.

This Offer is being made through the 100% Book Building Process wherein up to 50% of the Net Offer, that is up to 16,490,830 Equity Shares shall be available for allocation to Qualified Institutional Buyers ("**QIBs**" and such portion, the "**QIB Portion**"). 5% of the QIB Portion, that is 824,542 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to QIBs (including Mutual Funds), subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 824,542 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added back to the QIB Portion. Further, not less than 15% of the Net Offer, that is not less than 4,947,249 Equity Shares shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer, that is not less than 11,543,581 Equity Shares shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received from them at or above the Offer Price.

Further, 712,000 Equity Shares shall be available for allocation on a proportionate basis to the Eligible Employees, subject to valid Bids being received from them at or above the Offer Price. Any Bidder may participate in this Offer though the ASBA process by providing the details of the bank accounts in which the corresponding Bid Amounts will be blocked by the SCSBs.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the section 'Risk Factors' on page xii carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of the Company and this Offer, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page xii.

COMPANY AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

The Company and the Selling Shareholder, having made all reasonable inquiries, accept responsibility for and confirm that this Red Herring Prospectus contains all information with regard to the Company and this Offer which is material in the context of this Offer, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares of our Company are listed on the BSE and the NSE. BSE is the Designated Stock Exchange for the Offer. We have received in-principle approval from the NSE and the BSE for commencement of trading of the shares offered for sale pursuant to letters dated July 2, 2010 and June 24, 2010 respectively.

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE OFFER
ICICI Securities Limited ICICI Centre H.T. Parekh Marg Churchgate Mumbai 400 020 Maharashtra, India Telephone: + 91 22 2288 2460 Facsimile: + 91 22 2282 6580 E-mail: eil.fpo@icicisecurities.com Investor Grievance Email: customercare@icicisecurities.com Website:www.icicisecurities.com Contact Person: Mr. Sumit Agarwal / Mr. Gaurav Gupta SEBI Registration No.: INM000011179	**HSBC Securities and Capital Markets (India) Pvt. Ltd.** HSBC Building 52/ 60 M.G. Road Fort, Mumbai 400 001 Maharashtra, India Telephone: +91 22 2268 5555 Facsimile: +91 22 2263 1984 E-mail: projectaarohan@hsbc.co.in Investor Grievance Email: investorgrievance@hsbc.co.in Website: http://www.hsbc.co.in/1/2/corporate/equities-global-investment-banking Contact Person: Mr.Prashanth Chandran SEBI registration No.: INM000010353	**IDFC Capital Limited** Naman Chambers C-32, G Block Bandra Kurla Complex Bandra (E), Mumbai 400 051 Maharashtra, India Telephone: +91 22 6622 2600 Facsimile: +91 22 6622 2501 E-mail: eil.fpo@idfc.com Investor Grievance Email: complaints@idfc.com Website: www.idfccapital.com Contact Person: Mr. Hiren Raipancholia SEBI Registration No.: INM000011336	**SBI Capital Markets Limited** 202, Maker Tower 'E' Cuffe Parade Mumbai 400 005 Maharashtra, India Telephone: +91 22 2217 8300 Facsimile: +91 22 2218 8332 E-mail: eil.fpo@sbicaps.com Investor Grievance Email: investor.relations@sbicaps.com Website: www.sbicaps.com Contact Person: Ms. Kavita Tanwani SEBI registration No.: INM000003531	**Link Intime India Private Limited** C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (West) Mumbai 400 078 Maharashtra, India Telephone: +91 22 2596 0320 Facsimile: +91 22 2596 0329 E-mail: vishwas.attavar@linkintime.co.in Investor Grievance ID: eil.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Mr. Vishwas Attavar SEBI Registration No.: INR000004058

OFFER PROGRAM		
FOR ALL BIDDERS	**OFFER OPENS ON**	**: JULY 27, 2010**
FOR QIBs	**OFFER CLOSES ON**	**: JULY 29, 2010**
FOR RETAIL AND NON-INSTITUTIONAL BIDDERS (INCLUDING ELIGIBLE EMPLOYEES BIDDING UNDER THE EMPLOYEE RESERVATION PORTION)	**OFFER CLOSES ON**	**: JULY 30, 2010**

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, requires or implies, the following terms shall have the following meanings in this Red Herring Prospectus. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

In this Red Herring Prospectus, unless the context otherwise indicates, all references to "**EIL**", "**the Company**" and "**our Company**" and the terms "**we**", "**us**" and "**our**" are to Engineers India Limited, a public limited company incorporated in India under the Companies Act with its Registered Office and Corporate Office at Engineers India Bhawan, 1, Bhikaiji Cama Place, New Delhi 110 066, India, and its Subsidiaries and joint ventures, on a consolidated basis.

Company Related Terms

Term	Description
"Articles" or "Articles of Association"	The articles of association of our Company as amended.
Auditors	The statutory auditors of our Company, being Jagdish Chand & Co.
"Board of Directors" or "Board" or "our Board"	The board of directors of our Company, as duly constituted from time to time.
Corporate Office	The corporate office of our Company, presently situated at Engineers India Bhawan, 1, Bhikaiji Cama Place, New Delhi 110 066, India.
Director(s)	The director(s) on our Board.
Joint ventures	Joint ventures of our Company as referred to in the section "History and Corporate Structure" on page 133.
"Memorandum" or "Memorandum of Association"	The memorandum of association of our Company, as amended.
Order Book	The order book of our Company comprising anticipated revenues from the unexecuted portions of existing contracts (including signed contracts for which all pre-conditions to entry into force have been met and letters of acceptance issued by the client prior to execution of the final contract) as of a particular date.
Promoter	The President of India, acting through the Ministry of Petroleum and Natural Gas, Government of India.
Registered Office	The registered office of our Company presently situated at Engineers India Bhawan, 1, Bhikaiji Cama Place, New Delhi 110 066, India.
Selling Shareholder	The President of India, acting through the Ministry of Petroleum and Natural Gas, Government of India.
"Subsidiaries" or "our Subsidiaries"	The subsidiaries of our Company, as described in the section "History and Corporate Structure – Our Subsidiaries" on page 136.

Offer Related Terms

Term	Description
"Allot" or "Allotment" or "Allotted"	The transfer of Equity Shares pursuant to this Offer.
Allottee	A successful Bidder to whom an Allotment is made.
ASBA	The application (whether physical or electronic) used to make a Bid authorizing the SCSB to block the Bid Amount in the specified bank account maintained with such SCSB.
ASBA Account	Account maintained with a SCSB which will be blocked by such SCSB to the extent of the appropriate Bid Amount in relation to a Bid by an ASBA Bidder.
ASBA Bidder(s)	Prospective investors in this Offer who intend to Bid/apply through the ASBA process.
ASBA Form	The form, whether physical or electronic, in terms of which an ASBA Bidder shall make a Bid/application pursuant to the terms of the Red Herring Prospectus.
ASBA Revision Form	The forms used by the ASBA Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their ASBA Forms (if submitted in physical form).
Bankers to the Offer/Escrow Collection Banks	The banks which are clearing members and registered with the SEBI as bankers to the Offer with whom the Escrow Account will be opened, in this case being, ICICI Bank Limited, HDFC Bank Limited, Kotak Mahindra Bank Limited, State Bank Of India, IDBI Bank

Term	Description
	Limited, Punjab National Bank, Union Bank of India and UCO Bank.
Basis of Allotment	The basis on which the Equity Shares will be allocated to successful Bidders as described in "Offer Procedure – Basis of Allotment" on page 251.
Bid	An indication by a Bidder to make an offer to subscribe for Equity Shares in terms of the Red Herring Prospectus.
Bidder	A prospective investor in this Offer who makes a Bid and unless otherwise stated or implied, includes an ASBA Bidder.
Bid Amount	The highest value of the optional Bids as indicated in the Bid cum Application Form or ASBA Form, as the case may be.
Bid Price	The prices indicated against each optional Bid in the Bid cum Application Form and the ASBA Form, as the case may be.
Bid cum Application Form	The form in terms of which a Bidder (other than an ASBA Bidder) makes a Bid in terms of this Red Herring Prospectus and which will be considered as the application for Allotment.
Bidding Centre(s)	A centre for acceptance of the Bid cum Application Form.
Bidding Period	The period between the Offer Opening Date and the Offer Closing Date (inclusive of both days) during which Bidders can submit their Bids, inclusive of any revision thereof.
Book Building Process	The book building process as described in Part A Schedule XI of the SEBI Regulations.
"BRLMs" or "Book Running Lead Managers"	Book running lead managers to this Offer, being ICICI Securities Limited, HSBC Securities and Capital Markets (India) Pvt. Ltd, IDFC Capital Limited and SBI Capital Markets Limited.
"CAN" or "Confirmation of Allocation Note"	In relation to Bidders, the note or advice or intimation including any revisions thereof, sent to each successful Bidder indicating the Equity Shares allocated after discovery of the Offer Price in accordance with the Book Building Process.
Cap Price	The higher end of the Price Band, in this case being Rs. [●], and any revisions thereof, above which the Offer Price will not be finalized and above which no Bids will be accepted.
Controlling Branches	Such branches of the SCSBs which co-ordinate Bids under this Offer by the ASBA Bidders with the Registrar to the Offer and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Cut-off Price	Any price within the Price Band determined by our Company and the Selling Shareholder in consultation with the Book Running Lead Managers, at which only the Retail Individual Bidders and Eligible Employees are entitled to Bid. Retail Individual Bidders and Eligible Employees will be eligible for the Retail and Employee Discount.
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended.
Depository Participant	A depository participant as defined under the Depositories Act.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms and a list of which is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Designated Date	The date on which the Escrow Collection Banks transfer and the SCSBs issue instructions for transfer of funds from the Escrow Accounts and the ASBA Accounts, respectively, to the Public Offer Account in terms of the Red Herring Prospectus.
Designated Stock Exchange	BSE.
"Draft Red Herring Prospectus" or "DRHP"	The draft red herring prospectus dated June 14, 2010 filed with SEBI on June 15, 2010 and issued in accordance with the SEBI Regulations, which does not contain, *inter alia,* complete particulars of the price at which the Equity Shares are being issued.
Eligible NRI	An NRI from such a jurisdiction outside India where it is not unlawful to make an offer or invitation under this Offer and in relation to whom the Red Herring Prospectus constitutes an invitation to Bid on the basis of the terms thereof.
Employee Discount	Discount of Rs. [●] to the Offer Price determined pursuant to the completion of the Book Building Process given to the Eligible Employees.
Eligible Employee	A permanent and full-time employee of our Company or of the holding company or Subsidiaries or that of material associate(s) of our Company whose financial statements are consolidated with our Company's financial statements as per Accounting Standard 21, as on the date of filing of the Red Herring Prospectus with the RoC, who are Indian nationals and are based, working and present in India as on the date of submission of the Bid cum Application Form/ ASBA Form and who continue to be in the employment of our Company or of the Subsidiaries or that of material associate(s) of our Company, as the case may be, until submission of the Bid cum Application Form/ ASBA Form. An employee who is recruited against a regular vacancy but is on probation as on the date of submission of the Bid cum Application Form will also be deemed a 'permanent employee' of our Company.

Term	Description
Employee Reservation Portion	The portion of the Offer, being 712,000 Equity Shares, available for allocation to Eligible Employees.
Escrow Account(s)	Accounts opened for this Offer to which cheques or drafts of the Bid Amount are issued by a Bidder other than an ASBA Bidder.
Escrow Agreement	An agreement to be entered among our Company, the Selling Shareholder, the Registrar to the Offer, the Escrow Collection Banks, the Book Running Lead Managers and the Syndicate Members for the collection of Bid Amounts and for remitting refunds, if any, to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof.
Equity Shares	Equity shares of our Company of the face value of Rs. 5 each, as modified from time to time.
First Bidder	The Bidder whose name appears first in the Bid cum Application Form, Revision Form or ASBA Form.
Floor Price	The lower end of the Price Band below which no Bids will be accepted, in this case being Rs. [●], and any revisions thereof.
Mutual Fund Portion	5% of the QIB Portion or 824,542 Equity Shares, available for allocation to Mutual Funds only.
Net Offer	The Offer less the Employees Reservation Portion.
Non-Institutional Bidders	All Bidders (including Sub-Accounts which are foreign corporates or foreign individuals) that are not Qualified Institutional Buyers or Retail Individual Bidders or Eligible Employees bidding under the Employee Reservation Portion.
Non-Institutional Portion	The portion of this Offer being not less than 15% of the Net Offer that is not less than 4,947,249 Equity Shares, available for allocation to Non-Institutional Bidders.
Offer/ Offer for Sale	Further public offer of 33,693,660 Equity Shares through an offer for sale by the President of India, acting through the MoPNG for cash at price of Rs. [●] aggregating Rs. [●] million consisting of the Net Offer and Employee Reservation Portion.
Offer Closing Date	The date after which the Syndicate and the SCSBs will not accept any Bids, which shall be notified in an English national daily newspaper, a Hindi national daily newspaper, each with wide circulation and in case of any revision, the extended Offer Closing Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI Regulations.
Offer Price	The final price at which allotment will be made by our Company and the Selling Shareholder in consultation with the BRLMs.
Offer Opening Date	The date on which the members of the Syndicate and the SCSBs shall start accepting Bids, which shall be notified in an English national daily newspaper, a Hindi national daily newspaper, each with wide circulation.
Payment through electronic transfer of funds	Payment through ECS, Direct Credit, NEFT or RTGS, as applicable.
Price Band	The price band between the Floor Price and Cap Price, including revisions thereof.
Pricing Date	The date on which the Offer Price is finalised by our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers.
Prospectus	The prospectus of our Company to be filed with the RoC for this Offer on or after the Pricing Date, in accordance with Sections 56, 60 and 60B of the Companies Act and the SEBI Regulations.
Public Offer Account	The bank account opened by our Company and the Selling Shareholder under Section 73 of the Companies Act to receive money from the Escrow Accounts and the SCSBs on the Designated Date.
QIBs or Qualified Institutional Buyers	Public financial institutions as defined in Section 4A of the Companies Act, FIIs and their Sub-Accounts, scheduled commercial banks, Mutual Funds, multilateral and bilateral development financial institutions, VCFs, FVCIs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, NIF, provident funds with a minimum corpus of Rs. 250.00 million, pension funds with a minimum corpus of Rs. 250.00 million and insurance funds set up and managed by army, navy or air force of the Union of India, eligible for bidding in the Offer.
QIB Portion	The portion of the Net Offer to be Allotted to QIBs, being up to 16,490,830 Equity Shares.
Refund Account(s)	The account opened with the Refund Banker(s), from which refunds of the whole or part of the Bid Amount (excluding the ASBA Bidders), if any, shall be made.
Refund Banker (s)	The Bankers to the Offer with whom the Refund Accounts will be opened, in this case being State Bank Of India, Punjab National Bank, ICICI Bank Limited and HDFC Bank Limited.
Retail Discount	Discount of up to Rs. [●] to the Offer Price determined pursuant to the completion of the Book Building Process given to Retail Individual Bidders.
"Registrar to the Offer" or "Registrar"	Link Intime India Private Limited.
Retail Individual Bidders	Persons, including HUFs (applying through their *Karta*), NRIs and ASBA Bidders who have Bid for an amount less than or equal to Rs. 100,000.

Term	Description
Retail Portion	The portion of the Net Offer being not less than 35% of the Net Offer, that is not less than 11,543,581 Equity Shares, available for allocation to Retail Individual Bidders on a proportionate basis.
Revision Form	The form used by the Bidders other than ASBA Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable.
"RHP" or "Red Herring Prospectus"	This red herring prospectus to be issued by our Company in accordance with Sections 56, 60 and 60B of the Companies Act and the SEBI Regulations.
"Self Certified Syndicate Banks" or "SCSBs"	The banks registered with SEBI under the Securities and Exchange Board of India (Bankers to an Offer) Regulations, 1994 offering services in relation to ASBA, including blocking of an ASBA Account in accordance with the SEBI Regulations and a list of which is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Stock Exchanges	The BSE and the NSE.
Syndicate Agreement	The agreement to be entered into among our Company, Selling Shareholder, the Registrar to the Offer and the Syndicate, in relation to the collection of Bids (excluding Bids from ASBA Bidders).
Syndicate Members	Intermediaries registered with the SEBI permitted to carry out activities as an underwriter, in this case being SBICAP Securities Limited and Sharekhan Ltd.
Syndicate	The BRLMs and the Syndicate Members.
TRS or Transaction Registration Slip	The slip or document issued by any of the members of the Syndicate, or the SCSBs upon demand as the case may be, to a Bidder as proof of registration of the Bid.
Underwriters	The BRLMs and the Syndicate Members.
Underwriting Agreement	The agreement to be entered into between the Underwriters, our Company and the Selling Shareholder on or immediately after the Pricing Date.
Working Day	All days except Saturday, Sunday and any public holiday on which commercial banks in New Delhi and/or Mumbai are open for business.

Conventional/ General/ Industry related Terms, Abbreviations and Reference to other Business Entities

Abbreviation/Term	Full Form
1994 Act	Finance Act, 1994.
1966 Act	Andhra Pradesh Shops and Establishment Act, 1966.
AAI	Airports Authority of India.
ADCO	Abu Dhabi Company for Onshore Oil Operations.
ADNOC	Abu Dhabi National Oil Company.
AED	United Arab Emirates Dirhams.
AEPC	Apparel Export Promotion Council.
AGM	Annual general meeting.
A/c	Account.
ACSTC	Additional Commissioner of Service Tax Commissionerate.
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
BANOCO	Bahrain National Oil Company.
bbl/d	barrels per day.
Bcf	billion cubic feet.
bcm	billion cubic metres.
BIPC	Bandar Imam Petrochemicals Company.
BOP	Balance of Plant.
BORL	Bharat Oman Refineries Limited.
BPCL	Bharat Petroleum Corporation Limited.
BSE	The Bombay Stock Exchange Limited.
Btu	British thermal units.
CAGR	Compound Annual Growth Rate.
CCE	Commissioner of Central Excise (Appeals).
CDSL	Central Depository Services (India) Limited.
CEIL	Certification Engineers International Ltd.
CESTAT	Customs, Excise and Service Tax Appellate Tribunal.
CGD	City Gas Distribution.
CIT(A)	Commissioner of Income Tax (Appeals).
CoD	Committee on Disputes.
Companies Act	The Companies Act, 1956, as amended.

Abbreviation/Term	Full Form
CPCL	Chennai Petroleum Corporation Limited.
CSIR	Council of Scientific and Industrial Research.
CSR	Corporate Social Responsibility.
CST	Central Sales Tax Act, 1956.
Depositories Act	The Depositories Act, 1996, as amended.
DIAL	Delhi Airport for Delhi International Airport (P) Limited.
DIN	Director's identification number.
DJB	Delhi Jal Board.
DPE	Directorate of Public Enterprises.
EBITDA	Earnings before interest, tax, depreciation and amortisation.
DIPP	Department of Industrial Policy and Promotion.
DRDO	Defence Research and Development Organization.
ECS	Electronic clearing system.
EDMS	Electronic Document Management System.
EGM	Extraordinary general meeting.
EOGIL	Enron Oil and Gas Limited.
EOR	Enhanced Oil Recovery.
EPC contracts	Engineering, procurement and construction contracts under which our Company is responsible for the entire project as a turnkey contractor.
EPCM contracts	Engineering, procurement and construction management contracts under which our Company provides project management services for projects implemented by the owner through coordination of various contractors and sub-contractors, suppliers and external agencies.
Essar	Essar Oil Limited.
FCNR Account	Foreign currency non-resident account.
FDI	Foreign direct investment, as understood under applicable Indian regulations.
FEED	Front- End Engineering and Design.
FEMA	The Foreign Exchange Management Act, 1999, together with rules and regulations framed thereunder, as amended.
FII	Foreign institutional investors, as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended and registered with SEBI under applicable laws in India.
FIPB	The Foreign Investment Promotion Board of the Government of India.
Fiscal/ Financial Year/FY	Period of twelve months ended March 31 of that particular year, unless otherwise stated.
FVCI	Foreign venture capital investors, as defined and registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended.
GAIL	Gas Authority of (India) Limited.
GASCO	Abu Dhabi Gas Industries Limited.
GCPTCL	Gujarat Chemical Port Terminal Company Limited.
GDP	Gross Domestic Product.
GoI/Government of India/ Government	The Government of India.
GMDC	Gujarat Mineral Development Corporation Limited.
GNCD	Government of the National Capital Territory of Delhi.
GPIC	Gulf Petrochemicals Industries Company.
GREP	Gas Rehabilitation and Expansion Project.
GSPC	Gujarat State Petroleum Corporation Ltd.
HAZID	Hazard identification.
HAZOP	Hazard and operability.
HCL	Hindustan Copper Limited.
HINDALCO	Hindalco Industries Limited.
HMEL	HPCL – Mittal Energy Limited.
HPL	Haldia Petrochemicals Limited.
HPCL	Hindustan Petroleum Corporation Limited.
HSBC	HSBC Securities And Capital Markets (India) Private Limited.
HSE	Health, Safety and Environment.
HUDCO	Housing and Urban Development Corporation Limited.
HUF	Hindu undivided family.
HZL	Hindustan Zinc Limited.
IDFC Capital	IDFC Capital Limited.
IEA 2009	International Energy Outlook, May 2009.
IFRS	International Financial Reporting Standards.

Abbreviation/Term	Full Form
IFC	International Finance Corporation.
IGNOU	Indira Gandhi National Open University.
IICT	Indian Institute of Chemical Technology, Hyderabad.
IIP	Indian Institute of Petroleum.
INDAL	Indian Aluminium Company Limited.
Indian GAAP	Generally accepted accounting principles in India.
IOCL	Indian Oil Corporation Limited.
IOCL R&D	IOCL Research and Development.
IPCL	Indian Petrochemicals Corporation Ltd.
IPO	Initial public offering.
IRDA	The Insurance Regulatory and Development Authority constituted under the Insurance Regulatory and Development Authority Act, 1999, as amended.
IRQS	Indian Register Quality System.
I-SEC	ICICI Securities Limited.
ISPRL	Indian Strategic Petroleum Reserves Limited.
IT Act	The Income Tax Act, 1961, as amended.
ITAT	Income Tax Appellate Tribunal
IT Department	Income Tax Department.
International Thermonuclear Experimental Reactor/ ITER	An international scientific and technical collaboration represented by various jurisdictions, of which India is a member state.
JNNSM	Jawaharlal Nehru National Solar Mission.
JSWAL	JSW Aluminum Limited.
Key Management Personnel	The officers of our Company listed as key management personnel in the section titled "Our Management – Key Management Personnel" on page 154.
KNPC	Kuwait National Petroleum Company.
LPG	Liquefied Petroleum Gas.
LSTK	Lumpsum Turnkey.
MHA	Ministry of Home Affairs, GoI.
MCD	Municipal Corporation of Delhi.
MIAL	Mumbai International Airport Private Limited.
MICR	Magnetic ink character recognition.
MLs	Mining Leases.
MMT	Million metric tonnes.
MoPNG/ MoPNG	Ministry of Petroleum and Natural Gas, Government of India.
MOU	Memorandum of Understanding.
MRPL	Mangalore Refineries and Petroleum Limited.
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended.
NRL	Numaligarh Refinery Limited.
N.A.	Not Applicable.
NAV	Net Asset Value.
NAFTEC, Spa	National Company of Oil Refinery.
NALCO	National Aluminium Company Limited.
NCIWRD	National Commission on Integrated Water Resources Development.
NELP	New Exploration Licensing Policy.
NIF	National Investment Fund set up by resolution F. no. 2/3/2005-DD-II dated November 23, 2005 of the GoI published in the Gazette of India.
NMDC	National Mineral Development Corporation Limited.
NPC	National Petroleum Construction Company, Abu Dhabi.
NPCIL	Nuclear Power Corporation of India Limited.
NRE Account	Non-resident external account.
NRI	A person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin, such term as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended.
NRO Account	Non-resident ordinary account.
NR(s) or Non Resident(s)	A person resident outside India, as defined under FEMA, including an Eligible NRI and an FII.
NSDL	National Securities Depository Limited.
NSE	The National Stock Exchange of India Limited.
OBE/ Open Book Estimate	A form of cost-reimbursable contract for a project to be done on EPC basis.
OCB(s)	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in

Abbreviation/Term	Full Form
	existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under FEMA.
OECD	Organization for Economic Cooperation and Development members.
OIDB	Oil Industry Development Board.
OIL	Oil India Limited.
OOC	Oman Oil Company.
OPaL	ONCG Petro-additions Limited.
p.a.	Per annum.
PAN	Permanent Account Number, as allotted under the IT Act, 1961.
PCRA	Petroleum Conservation Research Association.
P/E Ratio	Price/Earnings ratio.
PELs	Petroleum Exploration Licenses.
PLF	Plant load factor.
PLR	Prime lending rate.
PMC Contracts	Project Management Consultancy contracts under which our Company provides project management services for the implementation of a project though turnkey contractors.
PPP	Purchasing Power Parity.
PSCs	Production Sharing Contracts.
QAPCO	Qatar Petrochemical Company.
QP	Qatar Petroleum.
RGIPT	Rajeev Gandhi Institute of Petroleum Technology.
RGPPL	Ratnagiri Gas & Power Private Limited.
RIL	Reliance Industries Limited.
RO	Omani Riyals.
RoC	The Registrar of Companies of NCT of Delhi & Haryana located at Paryavaran Bhavan, CGO Complex, Lodhi Road, New Delhi 110 003, India.
RoNW	Return on net worth.
Rs./Rupees	Indian Rupees.
RTGS	Real time gross settlement.
SABIC	Saudi Basic Industries Corporation.
SAPE	SA 1 Holding Infrastructure Company (P) Limited.
SBICAPS	SBI Capital Markets Limited.
SCRA	The Securities Contracts (Regulation) Act, 1956, as amended.
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended.
SGD	Singapore Dollars.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act.
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended.
SEBI Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
Securities Act	The U.S. Securities Act of 1933, as amended.
SICA	The Sick Industrial Companies (Special Provisions) Act, 1985, as amended.
SIL	Safety integrity level.
SONATRACH	Société Nationale pour la Recherche, la Production, le Transport, le Transformation, et la Commercialisation des Hydrocarbures s.p.a.
STC	Service tax code.
STCorp	State Trading Corporation.
Sterlite	Sterlite Industries (India) Limited.
Sub-Account	Sub-accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporates or foreign individuals.
Takeover Code	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended.
Takreer	Abu Dhabi Oil Refining Company.
Tecnimont EIL	Tecnimont EIL Emirates - Consultores E Servicos, Lda.
TEIL	TEIL Projects Limited.
TIN	Tax Identification Number.
TPA	Tons Per Annum.
U.A.E	United Arab Emirates.
U.S.	The United States of America.
U.S. GAAP	Generally accepted accounting principles in the United States of America.
VAT	Value added tax.
VCFs	Venture Capital Funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended.

Abbreviation/Term	Full Form
Water Act	The Water (Prevention and Control of Pollution) Act, 1974, as amended.
Worley Parsons	Worley Parsons International, Inc, USA.

Notwithstanding the foregoing, terms in sections titled "Main Provisions of the Articles of Association", "Statement of Tax Benefits" and "Financial Statements" on pages 259, 76 and F-1, respectively, have the meanings given to such terms in these respective sections.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial Data

Unless indicated otherwise, the financial data in this RHP is derived from our Company's restated consolidated financial statements as of and for the years ended March 31, 2006, 2007, 2008, 2009 and 2010, prepared in accordance with Indian GAAP and the Companies Act, 1956 and restated in accordance with SEBI ICDR Regulations, as stated in the report of our Auditors, Jagdish Chand & Co., and included in this RHP. Our fiscal / financial year commences on April 1 and ends on March 31 of the next year. Unless stated otherwise, references herein to a particular fiscal year (e.g., fiscal 2007) or a financial year or to "FY", are to the 12 months period ended March 31 of that year.

In the RHP, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding-off.

There are significant differences between generally accepted accounting principles in India ("Indian GAAP"), International Financial Reporting Standards ("IFRS") and generally accepted accounting principles in the United States of America ("U.S. GAAP"); accordingly, the degree to which the Indian GAAP financial statements included in this RHP will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Regulations. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Regulations on the financial disclosures presented in this RHP should accordingly be limited. Our Company has not attempted to explain these differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on financial data.

Unless otherwise specified or the context otherwise requires, all references to "India" in this RHP are to the Republic of India, together with its territories and possessions and all references to the "US", the "USA", the "United States" or the "U.S." are to the United States of America, together with its territories and possessions.

Unless otherwise indicated in this Red Herring Prospectus, all figures have been expressed in millions.

Currency of Presentation

All references to "Rupees" or "Rs." or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to "$", "US$", "USD", "U.S.$", "U.S. Dollar(s)" or "US Dollar(s)" are to United States Dollars, the official currency of the United States of America.

Unless otherwise stated, our Company has in this RHP used a conversion rate of Rs. 45.58 for one U.S. Dollar, being the RBI reference rate as of March 31, 2010. Such translations should not be considered as a representation that such U.S. Dollar amounts have been, could have been or could be converted into Rupees at any particular rate, the rates stated above or at all.

Industry and Market Data

Unless stated otherwise, industry data used throughout this RHP has been obtained from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that the industry data used in this RHP is reliable, neither we nor the BRLMs have independently verified such information.

Further, the extent to which the market data presented in this RHP is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

NOTICE TO INVESTORS

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this RHP. Any representation to the contrary is a criminal offence in the United States.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("Securities Act"), or any state securities laws in the United States, and, unless so registered, may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this RHP as "U.S. QIBs"; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this RHP as "QIBs"), in transactions exempt from the registration requirements of the Securities Act and (b) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

This RHP has been prepared on the basis that all offers of Equity Shares will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the European Economic Area ("**EEA**"), from the requirement to produce a prospectus for offers of Equity Shares. The expression "Prospectus Directive" means Directive 2003/71/EC of the European Parliament and Council and includes any relevant implementing measure in each Relevant Member State (as defined below). Accordingly, any person making or intending to make an offer within the EEA of Equity Shares which are the subject of the offer contemplated in this RHP should only do so in circumstances in which no obligation arises for the Company or any of the Underwriters to produce a prospectus for such offer. None of the Underwriters and the Company has authorised, nor do they authorise, the making of any offer of Equity Shares through any financial intermediary, other than the offers relating to the Equity Shares contemplated in this RHP.

FORWARD-LOOKING STATEMENTS

This RHP contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "shall", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant statement.

These forward looking statements are based on our current plans and expectations. Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in which we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in Indian laws, regulations and taxes and changes in competition in our industry. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Substantial reliance on Government-owned and Government-controlled entities for revenue;
- Costs and availability of equipment and materials;
- Cost overruns, delays and disruptions in completion and commissioning of projects;
- Performance of the engineering consultancy and the EPC sectors, oil and gas industry, the mining and metallurgy sector, and the infrastructure sector in India and internationally;
- General economic and business conditions in India in general and the engineering consultancy and EPC sector in particular;
- The ability to successfully implement our strategy and our growth and expansion plans and our exposure to market risks that have an impact on our business activities or investments;
- Changes in laws and regulations that apply to our business, our clients and suppliers, and our ability to respond to them;
- Changes in the value of the Rupee and other currency changes;
- Increasing competition in and the conditions of our clients and suppliers;
- General political, economic and business conditions in India and other countries;
- Occurrence of natural calamities or natural disasters affecting the areas in which we have operations;
- Changes in laws and regulations that apply to companies in India;
- Potential mergers, acquisitions or restructurings;
- The performance of the financial markets in India;
- Changes in the foreign exchange control regulations in India; and
- Other factors discussed in this RHP, including under the section "Risk Factors" on page xii.

For further discussion of factors that could cause our actual results to differ from our expectations, see "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages xii and 161. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company, our Directors, nor the Selling Shareholder nor any of the Underwriters nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof. In accordance with SEBI requirements our Company, the Selling Shareholder and the BRLMs will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION II – RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should consider all of the information in this RHP, including the risks and uncertainties described below and the sections "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 99 and 161, respectively, of this RHP before making an investment in our Equity Shares. The risks described in this section are those that we consider to be the most significant to the offering of our Equity Shares. If any of the following events actually occur, our business, prospects, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other implication of any of the risks mentioned herein.

This RHP also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this RHP.

In this section, unless the context otherwise requires, a reference to the "Company" is to Engineers India Limited, and a reference to "we", "us" or "our" refers to Engineers India Limited and its subsidiaries on a consolidated basis. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our restated consolidated financial statements.

INTERNAL RISK FACTORS

Risks relating to our Company and Business and Operations

1. ***We are party to various legal proceedings that, if determined against us, could adversely impact our business and financial condition. In addition, proceedings have been initiated in the past by SEBI against our Company as well as against a company in which one of our Directors is a director.***

   In the past, SEBI initiated certain proceedings against our Company inter alia for non-disclosure of holding and other details regarding promoters, persons in control and persons holding more than 15% of the equity share or voting rights of our Company as required under Regulations 6(2), 6(4) and 8(3) of the Takeover Code. For further details in relation to the said proceedings, see the section "Outstanding Litigation and Material Developments – Outstanding Litigation/ Proceedings Involving our Company – Cases filed against our Company – Proceedings Initiated by SEBI" on page 186.

   SEBI has also initiated certain proceedings / enquiries against India Infoline Limited, where one of our Directors, Mr. Arun Kumar Purwar, is a director. The allegations against India Infoline include, among others, a violation of Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992, and Securities and Exchange Board of India Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003. For information on such proceedings, see "Outstanding Litigation and Material Developments – Outstanding Litigation/ Proceedings involving the Directors – Proceedings initiated by SEBI" on page 195.

   In addition, we are involved in a number of legal proceedings that, if determined against us, could adversely impact our business and financial condition.

   We are party to various legal proceedings, including recovery suits, labor related proceedings, and various arbitration proceedings. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate tribunals. Should any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements, which could increase our expenses and our liabilities. We cannot assure you that these legal proceedings will be decided in our favour. Any adverse decision may have an adverse effect on our business, financial condition and results of operations. For further details on these proceedings, see "Outstanding Litigation and Material Developments" on page 185.

Our outstanding legal proceedings and the amounts claimed in these proceedings have been disclosed to the extent ascertainable below:

Cases filed against our Company

(Rs. in million)[1]

Nature of Proceedings	Number of Cases	Aggregate Amount Involved (Approximate)
Arbitration matters	4	7,058.14
Income tax cases	5[3]	160.00[2]
Civil cases	32	157.99
Other tax and statutory cases	5[4]	34.89
Consumer cases	2	1.90

[1] The amounts quoted exclude any costs, interests or other types of compensation that may have been claimed against our Company. Further the amount stated herein only reflects the initial claims made by the respective parties and does not take into account any amounts paid by our Company or amounts due/payable by our Company pursuant to any subsequent orders or any limitations on claims as per contracts from which disputes arose. For further details in relation to the contingent liabilities of our Company and other litigation, see "Outstanding Litigation and Material Developments – Litigation Involving our Company" on page 185.

[2] The amount stated only reflects the initial deductions disallowed by the respective assessing officer/ tax authority and does not include amounts already paid under protest which may be refunded to our Company or amounts due to/payable by our Company pursuant to any subsequent orders. For details of our contingent liabilities see the section "Outstanding Litigation and Material Developments – Contingent Liabilities of our Company" on page 185.

[3] The number of pending cases consists of two appeals filed by our Company and three appeals filed by the respective tax authorities against orders passed in favour of our Company. For further details in relation to see the section "Outstanding Litigation and Material Developments –-Income Tax Cases" on page 190.

[4] The number of pending cases consists of four appeals filed by our Company and one appeal filed by the respective tax authority against order passed in favour of our Company. For further details in relation to see the section "Outstanding Litigation and Material Developments – Service Tax Cases and Entry Tax Matters" on page 189.

As per the order of the High Court of Delhi in relation to a writ petition filed by Gujarat Lease Financing Limited in November 1996, our Company was directed to maintain status quo in respect of the disinvestment of equity shares of our Company. The disinvestment of our equity shares had been completed in October 1996 i.e. prior to the filing of the writ petition in November 1996. For details of the writ petition see the section "Outstanding Litigation and Material Developments – Litigation Involving our Company – Cases Filed Against our Company – Civil Suits – No. 12" on page 188.

Cases filed by our Company

(Rs. in million)[1]

Nature of Proceedings	Number of Cases	Aggregate Amount Involved (Approximate)
Arbitration Matters	4	1,218.60[2]
Consumer Cases	2	158.06
Civil Cases	9	40.59

[1] The amounts quoted exclude any costs, interests or other types of compensation that may have been claimed against other parties. Further the amount stated herein only reflects the initial claims made by our Company and does not take into account any amounts paid by the other parties or amounts due/payable by the other parties, pursuant to any subsequent orders or any limitations on claims as per contracts from which disputes arose. For further details in relation to the contingent liabilities of our Company and other litigations, see the section "Outstanding Litigation and Material Developments – Litigation Involving our Company – Cases filed by our Company" on page 191.

[2] The amount stated includes counterclaims filed in arbitration matters initiated by other parties.

For further information relating to outstanding litigation against us, see "Outstanding Litigation and Material Developments" on page 185.

2. ***The contracts in our Order Book may be adjusted, cancelled or suspended by our clients and, therefore, our Order Book is not necessarily indicative of our future revenues or earnings. Additionally, even if fully performed, our Order Book may not be a reliable indicator of our future gross margins.***

As of March 31, 2010, our Order Book was Rs. 62,368.4 million. There can be no assurance that our Order Book will actually be realized as revenues or, if realized, will result in profits. In accordance with industry practice, most of our contracts are subject to cancellation, termination, or suspension at the discretion of the client at any stage of the contract. In addition, the contracts in our Order Book are subject to changes in the scope of services to be provided as well as adjustments to the costs relating to the contracts. Our Order Book includes expected revenues for contracts that are based on estimates. Projects can remain in Order Book for extended periods of time because of the nature of the project and the timing of the particular services required by the project. The risk of contracts in Order Book being cancelled or suspended generally increases during periods of wide-spread economic slowdowns. In addition, even where a project proceeds as scheduled, it is possible that contracting parties may default and fail to pay amounts owed. Any delay, cancellation or payment default could adversely affect our cash flow position, revenues and/or profit.

3. Our revenue and earnings are dependent on the award of new contracts which we do not directly control.

A portion of our revenue is generated from large-scale project awards. The timing of when project awards will be made is unpredictable and outside of our control. We operate in competitive markets where it is difficult to predict whether and when we will receive awards since these awards and projects often involve complex and lengthy negotiations and bidding processes. These processes can be impacted by a variety of factors including governmental approvals, financing contingencies, commodity prices, environmental conditions and overall market and economic conditions. In addition, during an economic downturn, many of our competitors may be more inclined to take greater or unusual risks or terms and conditions in a contract that we might not deem market or acceptable. Because a portion of our revenue is generated from large projects, our results of operations can fluctuate from quarter to quarter and year to year depending on whether and when project awards occur and the commencement and progress of work under awarded contracts. As a result, we are subject to the risk of losing new awards to competitors or the risk that revenue may not be derived from awarded projects as quickly as anticipated.

4. We engage in a competitive business. If we are unable to compete effectively, we could lose market share and our business and results of operations could be negatively impacted.

We operate in competitive markets. The principal factors affecting competition include: customer relationships; technical excellence or differentiation; price; service delivery including the ability to deliver personnel, processes, systems and technology as required including local content and presence; service quality; health, safety and environmental standards and practices; financial strength; breadth of technology and technical sophistication; risk management awareness and processes; and warranty.

In the hydrocarbon sector, we compete against U.S., European, Japanese and Korean engineering and construction companies or their regional operating entities as well other regional engineering and construction companies, including those in India. In the mining and metallurgy sector and in the infrastructure sector, our competitors include various Indian engineering and construction companies. Some of our competitors have greater financial and other resources and better access to capital than we do, which may enable them to compete more effectively for large-scale project awards.

For EPC contracts, we are currently qualified to bid for projects up to a certain value. Although the value of projects for which we are able to compete for has increased in recent years, we may be unable to compete with international engineering and construction conglomerates for high value contracts. However, on some projects that are of comparatively lesser value, we compete with these international EPC contractors or their regional operating entities. The level of competition varies, depending on the industry or business vertical, as well as the size, nature and complexity of the project and the geographical region in which the project is to be implemented. For example, with respect to EPC contracts, clients generally award larger projects to large contractors, which may give these competitors an advantage when bidding for these projects. Conversely, with respect to our engineering, design and consulting services, low barriers of entry can result in competition with smaller, newer competitors.

Intense competition is expected to continue in these markets, presenting us with various challenges in our ability to maintain growth rates and profit margins. If we are unable to meet these competitive challenges, we could lose market share to our competitors and experience an overall reduction in our profits.

5. ***We are dependent upon third parties to complete many of our contracts.***

A portion of the work performed under our contracts, particularly EPC contracts, is performed by third-party subcontractors we hire. We also rely on third-party equipment manufacturers or suppliers to provide the equipment and materials used for EPC projects. In many instances, we are responsible for any failure by a third-party subcontractor to comply with applicable laws, rules and regulations and performance under the contract. In our EPCM and other engineering consultancy projects, although to a limited extent, we may similarly need to rely on third party consultants or other service providers. If we are unable to hire qualified subcontractors or find competent equipment manufacturers or suppliers, our ability to successfully complete a project could be impaired. If the amount we are required to pay for subcontractors or equipment and supplies exceeds what we have estimated, especially in a fixed-price or lump-sum type contract, we may suffer losses on these contracts. If a supplier, manufacturer or subcontractor fails to provide supplies, equipment or services as required under a negotiated contract for any reason, we may be required to source these supplies, equipment or services on a delayed basis or at a higher price than anticipated, which could impact contract profitability. These risks may be intensified during an economic downturn if our suppliers, manufacturers or subcontractors experience financial difficulties or find it difficult to obtain sufficient financing to fund their operations or access to bonding, and are not able to provide the services or supplies necessary for our business. Finally, a failure by a third-party subcontractor to comply with applicable laws, rules or regulations or to obtain the necessary approvals or provide services as per our contract could negatively impact our business and may result in fines, penalties, suspension or even debarment.

6. ***Inaccurate RoC filings made by the Company.***

On February 14, 1997, our Company issued 720,000 equity shares to all its regular employees, the issue price for which was to be paid in two calls. Pending the receipt of second call on these equity shares, our Company passed a resolution to announce a bonus issue of 37,440,000 equity shares on December 28, 1999 and accordingly filed the Form 2 with the RoC for 37,440,000 equity shares on January 27, 2000. The bonus issue of 37,440,000 equity shares included 2,600 equity shares to be issued on 1,300 partly paid equity shares. Annual Reports of the Company from the year 1999-2000 till 2003-2004 record that the 2,600 equity shares are pending to be issued on 1,300 Equity Shares on account of call in arrears. The 1,300 partly paid up Equity Shares were forfeited on July 27, 2004 and accordingly the 2,600 Equity Shares which were to be issued on these Equity shares were not issued. Our Company may be required to file a fresh Form 2 with the RoC in this regard and may also be subject to applicable fine or penalties under Section 75(4) of the Companies Act.

7. ***Statutory and regulatory filings made by the Company in relation to bonus issues approved in 1980, 1986 and 1992 and change in our registered office prior to 1992; the agreement for incorporation of our Company; and securities law compliance records prior to 1990 are not available.***

Since our Company was incorporated in 1965, copies of regulatory and statutory filings made by our Company in relation to: the issuance of Equity Shares pursuant to bonus issues approved by the shareholders of the Company on September 24, 1980, September 17, 1986 and March 18, 1992; and change in our registered office prior to 1992 cannot be produced by the Company. Moreover, our Company is unable to produce copies of the memorandum of understanding dated June 27, 1964 and the formation agreement dated November 20, 1964 between the Government of India and Bechtel International Corporation pursuant to which our Company was incorporated as well as any other agreements with Bechtel International Corporation and Bechtel Overseas Corporation. Further, we do not have records in relation to compliance with securities law prior to 1990. Accordingly, we will be unable to submit these records to any regulatory or other authority, in the event we are requested or required to do so, which may adversely affect our business and operations.

8. ***We may experience reduced profits or losses under or, in some cases, cancellations or deferrals of, contracts if costs increase above estimates.***

We conduct our business under various types of contractual arrangements where costs are estimated in advance. Some of our engineering consultancy and EPC projects are cost-reimbursable contracts that allocate the risk of cost overruns to our clients by requiring our clients to reimburse us for our cost. However, some of our engineering consultancy and EPC contracts are fixed-price or lumpsum contracts, where we bear a portion of the risk for cost overruns. Under these types of contracts, contract prices are established in part on cost and scheduling estimates which are based on a number of assumptions. For EPC contracts, these assumptions include assumptions relating to future economic conditions, prices and availability of labor, equipment and materials. If these estimates prove inaccurate, or circumstances change such as unanticipated technical problems, difficulties in obtaining permits or approvals, changes in local laws or labor conditions, weather delays, cost of raw materials, or our suppliers' or subcontractors' inability to perform, cost overruns may occur, and we could experience reduced profits or, in some cases, a loss for such EPC project. These risks tend to be exacerbated for longer-term contracts since there is increased risk that the circumstances under which we based our original bid could change with a resulting increase in costs.

In many of these contracts, we may not be able to obtain compensation for additional work performed or expenses incurred, and if a project is delayed, we may be required to pay liquidated damages. Even under our cost-reimbursable contracts, where we do not bear the risk of cost-overruns, costs can exceed client expectations, resulting in deferrals or even cancellations of the contract. Unanticipated costs or delays in performing part of a fixed price contract can have compounding effects by increasing costs of performing other parts of the contract. These variations and the risks generally inherent to the industry we operate in may result in our profits being different from those originally estimated and may result in our experiencing reduced profitability or losses on projects. Depending on the size of a project, these variations from estimated contract performance could have a material effect on our results of operations. In addition, most contracts that we enter into are subject to certain completion schedule requirements with liquidated damages in the event schedules are not met as a result of circumstances within our control. Required payment of liquidated damages could have a material effect on our results of operations.

9. If we are responsible for timely completion or performance standards of a project, we could incur additional cost or loss in revenue in connection with such obligations.

Under the terms of certain of our contracts, we are responsible for completing a project by the scheduled completion date. Under certain contracts, both EPC and PMC, we may also be responsible for the performance standards of such project. We may also assume a project's technical risk, which means that we may have to satisfy certain technical requirements of a project despite the fact that at the time of project award, we may not have previously developed or applied the system or technology in question. If we subsequently fail to complete the project as scheduled, or if the project subsequently fails to meet the requisite performance standards, we may be held responsible for cost impacts to the client resulting from any delay or the cost to cause the project to achieve the performance standards, generally in the form of contractually agreed-upon liquidated damages. To the extent that these events occur, the total cost of the project could exceed our original estimates and we could experience reduced profits or, in some cases, a loss for that project. In addition, under some of our engineering consultancy contracts, in the event of a failure by us in meeting the requisite completion schedule, we may be required to forego part of our contract revenue or provide a discount to the client.

10. The nature of our EPC business exposes us to potential liability claims and contract disputes which may reduce our profits.

We engage in EPC activities for facilities where design, construction or systems failures can result in injury or damage to third parties. In addition, the nature of our business results in clients, subcontractors and vendors occasionally presenting claims against us for recovery of cost they incurred in excess of what they expected to incur, or for which they believe they are not contractually liable. We have been and may in the future be named as a defendant in legal proceedings where parties may make a claim for damages or other remedies with respect to our projects or other matters. These claims generally arise in the normal course of our business. If it is determined that we are liable, we may not be covered by insurance or, if covered, the amount of these liabilities may exceed our policy limits. Even where insurance is maintained for such exposure, the policies have deductibles resulting in our assuming exposure for a layer of coverage with respect to any such claims. Any liability not covered by our insurance, in excess of our insurance limits or, if covered by insurance but subject to a high deductible, could result in losses for us, and reduce our cash available for operations. For further information, see "Outstanding Litigation and Material Developments" on page 185.

11. Our inability to qualify for and win large engineering consultancy or EPC contracts may adversely affect our results of operations.

Some of our contracts are obtained through a competitive bidding process. In selecting consultants and contractors for major engineering consultancy and EPC projects, clients generally limit the tender to consultants and contractors they have pre-qualified based on several criteria. These criteria include, among other factors, experience, technological capacity and performance, reputation for quality, safety record, financial strength and bonding capacity and size of previous contracts in similar projects, as well as price competitiveness of the bid. Our recent experience indicates that clients in the energy industry are increasingly developing larger, more technically complex EPC projects and increasingly awarding the entire contract to a single EPC contractor. Pre-qualification is key to our winning such EPC projects. We are currently qualified to bid for most projects in India and up to a certain value for international projects and therefore may not be able to compete for very large projects. Our ability to bid for and win such projects is dependent on our ability to show experience of working on similar engineering consultancy and EPC contracts. Our inability to qualify for and win large engineering consultancy or EPC contracts may adversely affect our results of operations.

12. Certain bank guarantees and letters of credit that we have availed of contain undertakings, conditions and restrictive covenants which could restrict our ability to conduct our business and operations.

Certain bank guarantees and letters of credit, which we have availed of in connection with our operations contain conditions and restrictive covenants including, but not limited to, the following: the ability of the issuing bank to alter the terms and conditions or withdraw all or any of the credit limits sanctioned at any time at its discretion; the ability of the issuing bank to recall any part or all of the facility in the event the credit facility is not utilized for the specified purpose, non-compliance with terms and conditions of the sanction and drawing beyond the sanctioned limits. We have also assumed certain obligations under these arrangements, which include, but are not limited to the following: immediate written notification of any changes in our constitution , changes in our directors, proposals for a merger or takeover, in relation to which the issuing bank has the right to disapprove such alteration, and further may exercise the right to suspend, recall or withdraw the facilities; an undertaking to insure our hypothecated moveables against fire, accident, theft and all other risks under joint name with the issuing bank. We have also granted the issuing banks certain rights in relation to these facilities, which include, but are not limited to the following: an option to enforce the security or recover sums due in any manner the bank deems fit, as well as the ability of the issuing bank, at its discretion, to demand and recover the balance due in respect of any or all facilities and other charges. For further information, see "Financial Indebtedness" on page 180.

Such conditions, covenants and undertakings may restrict or delay certain actions or initiatives that we may propose to take from time to time. A failure to observe such covenants or conditions under these facilities may lead to a termination of these facilities or an acceleration of all amounts due under such facilities and the enforcement of any security provided. Any acceleration of amounts due under such facilities may also trigger cross default provisions under other facilities. During any period in which we are in default, we may be unable to, or face difficulties in arranging similar facilities. We may not be able to continue obtaining new letters of credit, bank guarantees, and performance bonds in sufficient quantities to match our business requirements. As a result, our ability to enter into new contracts could be limited. Any of these circumstances could adversely affect our business, financial condition and results of operations, as well as result in an adverse effect on the price of the Equity Shares.

13. We may be adversely affected by restrictive covenants in certain joint venture agreements to which we are a party.

We have entered into agreements with Tecnimont SPA ("Tecnimont") and Tata Projects Limited for the establishment of joint ventures. The joint venture agreements prohibit us from, among other things, acquiring or disposing of our shareholding in the joint ventures. The details of these joint venture agreements appear in "History and Corporate Structure" on page 137. Our joint venture agreements contain clauses pursuant to which we have undertaken not to alienate our shareholding in the joint ventures for a period of three years. Any such sell down after three years can only be made a third party who is in determination of the other party, financially capable to assume and perform the obligations under this agreement and of good ethical and commercial reputation and the other party shall have the right of first refusal. In the joint venture arrangement with Tecnimont, we have also undertaken not to compete in the U.A.E. region with our joint venture company, Tecnimont EIL, in certain agreed sectors. These covenants limit our ability to make optimum use of our investments or exit these companies at our discretion, which may have an adverse impact on our financial condition.

14. The proceeds from the Offer will not be available to us.

As the Offer is by way of an offer for sale of Equity Shares by the Selling Shareholder, the proceeds from the Offer will be remitted to the Selling Shareholder and our Company will not benefit from such proceeds.

15. Risks associated with the execution of large contracts could adversely affect our margins.

There are various risks associated with the execution of large-scale integrated engineering consultancy or EPC projects. Larger contracts may represent a larger part of our portfolio and Order Book, increasing the potential volatility of our results and exposure to individual contract risks. A sizeable portion of our Order Book as of March 31, 2010 is comprised of five projects, which includes three turnkey projects for the oil refineries of MRPL. For further information on these projects and our Order Book, please refer to "Management's Discussion and Analysis of Operations - Order Book" on page 176.

Managing such integrated engineering consultancy or EPC projects may also increase the potential relative size of cost overruns and negatively affect our operating margins. If we do not achieve our expected margins or suffer losses on one or more of these large contracts, our results of operations could be reduced or we may incur losses.

16. The loss of one or more of our major clients could have an adverse impact on our business, financial condition and results of operations.

In our Lumpsum Turnkey Projects segment, total income from a single client frequently contributes a considerable portion of our segment income. This is due in part to the fact that most turnkey projects are high value with considerable amount of pass-through costs included in the computation of our segment income, as well as because revenues on these projects depend on the stage of completion they are in. In contrast, in the Consultancy and Engineering Services segment, it is uncommon for a client to contribute 15% or more of total income in the Consultancy and Engineering Services segment in any given fiscal year. However, we may from time to time perform a number of engineering consultancy projects for a single client in the same fiscal year, which may cause total income from that client to exceed 15% of our total income in the Consultancy and Engineering Services segment. The loss of one or more of our major clients could have an adverse impact on our business, financial condition and results of operations.

17. A large part of our business transactions are with government entities or agencies, which may expose us to risk, including additional regulatory scrutiny, delayed receipt of collectibles and pricing pressure.

Our business is principally focused on projects in oil and gas exploration, development and production, and transportation projects undertaken by Indian and international energy conglomerates, many of which are directly or indirectly owned or controlled by either the government of the relevant country or relevant government organizations. Our business is also dependent on infrastructure projects undertaken by governmental authorities funded by governments or international and multilateral development finance institutions. We may be subject to additional regulatory or other scrutiny associated with commercial transactions with government owned or controlled entities and agencies. In addition, there may be delays associated with collection of receivables from government owned or controlled entities, which could affect our liquidity and results of operations.

Contracts with government agencies are subject to various uncertainties, restrictions, and regulations including oversight audits by various government authorities and profit and cost controls. Government contracts are also exposed to uncertainties associated with funding. As a result, our government clients may terminate our contracts for convenience or decide not to renew our contracts with little or no prior notice. Since government contracts represent a significant majority of our revenues, the loss of such contracts could have a material adverse impact on our business, financial condition, and results of operations.

In addition, since government contracts are subject to specific procurement regulations and a variety of other socio-economic requirements, we must comply with such requirements. We must also comply with various other government regulations and requirements as well as various statutes related to employment practices, environmental protection, recordkeeping, and accounting. These regulations and requirements affect how we transact business with our clients and, in some instances, impose additional costs on our business operations. Government contracts also contain terms that expose us to heightened levels of risk and potential liability than non-government contracts.

We also are subject to government audits, investigations, and proceedings. For example, government agencies routinely review and audit government contractors to determine whether allowable costs are in accordance with applicable regulations. These audits can result in adjustments to the amount of contract costs we believe are reimbursable by the agencies and the amount of our overhead costs allocated to the agencies. If we violate a rule or regulation, fail to comply with a contractual or other requirement or do not satisfy an audit, a variety of penalties can be imposed including monetary damages and criminal and civil penalties. In addition, any or all of our government contracts could be terminated, we could be suspended or debarred from all government contract work, or payment of our costs could be disallowed. The occurrence of any of these actions could harm our reputation and could have a material adverse impact on our business, financial condition, and results of operations.

18. Our business is dependent on a continuing relationship with our clients and strategic partners.

Our business is dependent on oil and gas exploration, development, production and transportation projects undertaken by Indian and international energy conglomerates, on infrastructure projects funded by governments or by international and multilateral development finance institutions, as well as the level of activity in the other markets we serve, including the mining and metallurgy industry. We therefore must develop and maintain strategic alliances with industry and intermediaries and other EPC contractors that undertake turnkey contracts for the energy industry, infrastructure projects and projects in other industries we serve. In addition, we develop and maintain relationships and pre-qualified status with certain major clients and obtaining a share of contracts from such clients. Our top clients may vary from period to period depending on the completion schedule of projects. Our business and results of operations will be adversely affected if we are unable to develop and maintain a continuing relationship or pre-qualified status with certain of our key clients and strategic partners. The loss of a key client or a number of key clients may have a material adverse effect on our results of operations.

19. Our operations are subject to hazards and other risks and could expose us to material liabilities, loss in revenues and increased expenses.

Our operations are subject to hazards inherent in providing engineering and construction services, such as risk of equipment failure, work accidents, fire or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage.

We may also be subject to claims resulting from defects arising from EPC and engineering consultancy services provided by us within the warranty periods extended by us. Actual or claimed defects in equipment procured and/or construction quality could give rise to claims, liabilities, costs and expenses, relating to loss of life, personal injury, damage to property, damage to equipment and facilities, pollution, inefficient operating processes, loss of production or suspension of operations.

Our policy of covering these risks through contractual limitations of liability, indemnities and insurance may not always be effective. In some of the jurisdictions in which we operate, environmental and workers' compensation liability may be assigned to us as a matter of law. Clients and subcontractors may not have adequate financial resources to meet their indemnity obligations to us. Losses may derive from risks not addressed in our indemnity agreements or insurance policies, or it may no longer be possible to obtain adequate insurance against some risks on commercially reasonable terms. Failure to effectively cover ourselves against engineering and construction industry risks for any of these reasons could expose us to additional costs and potentially lead to material losses. Additionally, the occurrence of any of these risks may also adversely affect public perception about our operations and the perception of our suppliers, clients and employees, leading to an adverse effect on our business. These liabilities and costs could have a material adverse effect on our business, results of operations and financial condition.

20. Our insurance coverage may not adequately protect us against all losses.

Our insurance policies consist of workmen's compensation policies, standard fire and special perils policies, all risk insurance policies, along with group personal accident insurance and overseas travel policies. While we believe that the insurance coverage we maintain would reasonably be adequate to cover all normal risks associated with the operation of our business, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time, nor that we have taken out sufficient insurance to cover all material losses. To the extent that we suffer loss or damage resulting from not obtaining or maintaining insurance or exceeding our insurance coverage, the loss would have to be borne by us and it could have a material adverse effect on our results of operations and financial condition.

21. Engineering construction sites are inherently hazardous workplaces. If we fail to maintain safe work sites, we can be exposed to unforeseen financial losses, as well as civil and criminal liabilities.

Engineering construction sites often put our employees and others in close proximity with large pieces of mechanized equipment, moving vehicles, chemical and manufacturing processes, and regulated materials. On many sites we are responsible for safety and, accordingly, must implement safety procedures. If we fail to implement such procedures or if the procedures we implement are ineffective, our employees and others may become injured. Unsafe work sites also have the potential to increase employee turnover, increase the cost of a project to our clients, and raise our operating costs. Although we have not experienced any major incident of this nature in the past, any such adverse incident in the future could result in financial losses, which could have a material adverse impact on our business, financial condition, and results of operations.

In addition, our projects can involve the handling of hazardous and other regulated materials, which, if improperly handled or disposed of, could subject us to civil and criminal liabilities. We are also subject to regulations dealing with occupational health and safety. Although we maintain functional groups whose primary purpose is to ensure we implement effective health, safety, and environmental work procedures throughout our organization, including construction sites and maintenance sites, the failure to comply with such regulations could subject us to liability.

Our safety record is critical to our reputation. Many of our clients require that we meet certain safety criteria to be eligible to bid for contracts and many contracts provide for automatic termination or forfeiture of some or all of our contract fees or profit in the event we fail to meet certain measures. As a result, any failure by us in the future to maintain adequate safety standards could result in reduced profitability or the loss of projects or clients, and could have a material adverse impact on our business, financial condition, and results of operations.

22. Our Company does not own the trademark over its name and corporate logos and and may be unable to adequately protect our intellectual property.

Our Company has applied for trademark registration over its name and corporate logos and under the provisions of the Trademarks Act, 1999. Consequently, our Company does not enjoy the statutory protections accorded to a registered trademark. We cannot assure you that the application for registration of such trademark over our corporate logo will be granted by the relevant authorities or when these authorities will grant the registration. There can be no assurance that third parties will not infringe our Company's intellectual property, causing damage to its business prospects, reputation and goodwill. The efforts of our Company to protect its intellectual property may not be adequate and any third party claim on any of our unprotected brands may lead to erosion of our business value and our operations could be adversely affected. We may not be able to detect any unauthorised use or take appropriate and timely steps to enforce or protect our intellectual property. Further, our Company may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed.

23. Our profitability may be adversely affected if we cannot continue to use, license or enforce the technology and other intellectual property rights on which our businesses depend.

Our intellectual property and technology offerings are important to our businesses. We rely upon intellectual property laws, including patents, trademark and trade secret laws, as well as confidentiality procedures and contractual provisions included in agreements with our employees, clients, suppliers and other parties, to establish and maintain intellectual property rights in the technology and services we sell, provide or otherwise use in our operations. However, any of our technology and intellectual property rights or technology and intellectual property licensed to us could be challenged, invalidated or circumvented, or such technology intellectual property rights may not be sufficient to permit us to take advantage of current market trends or otherwise to provide competitive advantages. The laws of India do not protect proprietary rights to the same extent as those of more developed countries. Enforcement of such laws in India may be weak and resolution of intellectual property disputes may be time consuming and ineffective.

Unauthorized parties may infringe upon or misappropriate our products, services or proprietary information. The misappropriation or duplication of our intellectual property could disrupt our ongoing business, distract our management and employees, reduce our revenue and increase our expenses. We may need to litigate to enforce our intellectual property rights or to determine the validity and scope of the proprietary rights of others. Any such litigation could be expensive and divert our attention and resources from operating our company. Because of the rapid pace of technological change in our industry, our technology and service offerings rely on key technologies developed by us or licensed from third parties. We may not be able to develop or continue to avail of licenses and technologies from these third parties at all or on reasonable terms, or such third parties may demand cross-licenses to our intellectual property.

24. Proprietary rights of our clients or our third party technology partners may be misappropriated by our employees in violation of applicable confidentiality agreements.

We require our employees to enter into non-disclosure arrangements to limit access to and distribution of our third party technology partners' or our clients' intellectual property and other confidential information as well as our own. In addition, we provide restricted access of employees to proprietary technology and client data. However, we can give no assurance that the steps taken by us in this regard will be adequate to enforce our or any third party technology partners' or our clients' intellectual property rights. If any or our or any third party technology partner's or our clients' proprietary rights are misappropriated by our employees, in violation of any applicable confidentiality agreements or otherwise, we may lose any technological advantage that is important for our business and the third party technology partner or our clients may consider that we are liable for that act and seek damages and compensation from the us in respect of it.

25. We may be subject to third party claims of intellectual property infringement.

Although there are currently no material pending or threatened intellectual property claims against us, infringement claims may be asserted against us in the future. Our contracts generally contain broad indemnity clauses, and under most of these contracts, we are required to provide a specific indemnity relating to third party intellectual property rights infringement. If we were to become liable to third parties for infringing their intellectual property rights, we could be required to pay substantial damages and be forced to develop non-infringing technology, obtain a license or cease licensing technology that contain the infringing technology. We may be unable to develop non-infringing technology or to obtain a license on commercially favorable or reasonable terms, or at all. We may also be required to change our methodologies so as not to use the infringed intellectual property, which may not be technically or commercially feasible and may cause us to expend additional resources. Any claims or litigation in this area, whether we ultimately win or lose, could be time consuming and costly and/or adversely affect our reputation.

26. Our continued success is dependent upon our ability to hire, retain, and utilize qualified personnel.

The success of our business is dependent upon our ability to hire, retain, and utilize qualified personnel, including engineers, architects, designers, and corporate management professionals who have the required experience and expertise. From time to time, it may be difficult to attract and retain qualified individuals with the expertise and in the timeframe demanded by our clients, and we may not be able to satisfy the demand for our services because of our inability to successfully hire and retain qualified personnel. We may be unable to compete with private sector companies for such qualified personnel because of more competitive salaries and benefits packages provided by them.

In addition, as some of our key personnel approach retirement age, we need to have appropriate succession plans in place and to successfully implement such plans. If we cannot attract and retain qualified personnel or effectively implement appropriate succession plans, it could have a material adverse impact on our business, financial condition, and results of operations. Moreover, we may be unable to manage knowledge developed internally, which may be lost in the event of our inability to retain employees.

The cost of providing our services, including the extent to which we utilize our workforce, affects our profitability. For example, the uncertainty of contract award timing can present difficulties in matching our workforce size with our contracts. If an expected contract award is delayed or not received, we could incur cost resulting from excess staff, reductions in staff, or redundancy of facilities that could have a material adverse impact on our business, financial conditions, and results of operations.

27. We maintain a workforce based upon current and anticipated workloads. If we do not receive future contract awards or if these awards are delayed, additional cost may be incurred.

Our estimates of future performance depend on, among other matters, whether and when we will receive certain new contract awards, including the extent to which we utilize our workforce. The rate at which we utilize our workforce is impacted by a variety of factors including our ability to manage attrition, our ability to forecast our need for services which allows us to maintain an appropriately sized workforce, our ability to transition employees from completed projects to new projects or between internal business groups, and our need to devote resources to non-chargeable activities such as training or business development. While our estimates are based upon our good faith judgment, these estimates can be unreliable and may frequently change based on newly available information. In the case of large-scale EPC and engineering consultancy projects where timing is often uncertain, it is particularly difficult to predict whether and when we will receive a contract award. The uncertainty of contract award timing can present difficulties in matching our workforce size with our contract needs. If an expected contract award is delayed or not received, we could incur cost resulting from reductions in staff or redundancy of facilities that would have the effect of reducing our profits.

28. The interests of our Directors may cause conflicts of interest in the ordinary course of our business.

Conflicts may arise in the ordinary course of decision-making by the board of directors of our Company. Some of our non-executive Directors may also be on the board of directors of certain companies engaged in businesses similar to the business of our Company. There is no assurance that our Directors will not provide competitive services or otherwise compete in business lines in which we are already present or will enter into in future.

29. Some of our Directors and key management personnel have interests in our Company other than reimbursement of expenses incurred or normal remuneration or benefits.

Some of our Directors and key management personnel hold shares in our Company. Thus, they have an interest in our Company in their capacity as shareholders, in addition to an interest in receiving a reimbursement of expenses incurred, ordinary remuneration or benefits. For details, see "Capital Structure" on page 62.

30. Failure to effectively manage our plans with respect to diversification could adversely affect our growth and profitability.

We continue to identify and target specific project segments and industries where we believe there is high potential for growth, including in water and waste management, city gas distribution, power, gas based fertilizer projects and coal to liquid initiatives. While we believe that in the medium and long term, some of these strategic business segments may contribute significantly to our consolidated revenues, many of our strategic initiatives are in business segments in which we may have comparatively less or no prior experience. We cannot assure you that we will be able to keep pace with changing market practice or that we will successfully anticipate and address the demand for new services or business lines in a timely manner or at all. We may enter into joint ventures or strategic alliances to explore such opportunities or make significant investments in entities that we do not control to capitalize on such business opportunities, and there can be no assurance that such joint ventures, strategic alliances or investments will be successful. These additional business activities may require additional management, financial and operational resources. Our gross margins in these new business areas may be lower than our existing business activities. We may not be able to expand our operations in a cost-effective or timely manner. Consequently, there can be no assurance that such strategic business initiatives will be profitable.

In addition, we may not have a controlling interest in some of these new businesses. The success of these investments will depend in part on our ability to work successfully with the other owners and management of the relevant businesses, and we cannot be sure that we will work successfully with such third parties in managing and operating these businesses. Further, the profitability of our investment will be dependent on the performance of these businesses and the dividends and other distributions we receive from them. As a result, in the event of non-performance or losses incurred by these businesses, our results of operations and financial condition may be adversely affected.

31. Our failure to recover adequately on claims against project owners for payment could have a material effect on us.

We occasionally bring claims against project owners for additional cost exceeding the contract price or for amounts not included in the original contract price. These types of claims occur due to matters such as owner-caused delays or changes from the initial project scope, which result in additional cost, both direct and indirect. Often, these claims can be the subject of lengthy arbitration or litigation proceedings, and it is often difficult to accurately predict when these claims will be fully resolved. When these types of events occur and unresolved claims are pending, we may invest additional working capital in projects to cover cost overruns pending the resolution of the relevant claims. A failure to promptly recover on these types of claims could have a material adverse impact on our liquidity and financial results. For further information, see "Outstanding Litigation and Material Developments" on page 185.

32. Our failure to successfully manage our geographically diverse operations could adversely affect our business and results of operations.

We have operations in various international locations, including the Middle East, North Africa and South East Asia, and we continue to focus on further expansion of our international business. These operations are conducted through subsidiaries and our foreign project and branch offices, as well as through agreements with foreign joint venture partners. For further information relating to our international operations, see "Business – Our Markets – International Operations" on page 119.

These operations are subject to risks that could adversely affect our business and results of operations, including risks associated with uncertain political and economic environments, government instability and legal systems, laws and regulations that are different from the legal systems, laws and regulations that we are familiar with in India, and which may be less established or predictable than those in more developed countries. In addition, we could be subject to expropriation or deprivation of assets or contract rights, foreign currency restrictions, exchange rate fluctuations and unanticipated taxes or encounter potential incompatibility with foreign joint venture partners, and non-availability of suitable personnel and equipment.

In order to manage our day-to-day operations, we must overcome cultural and language barriers and assimilate different business practices. In addition, we are required to create compensation programs, employment policies and other administrative programs that comply with the laws of different jurisdictions. Our failure to successfully manage our geographically diverse operations could impair our ability to react quickly to changing business and market conditions and comply with industry standards and procedures.

Our ability to operate and compete may be adversely affected by governmental regulations in the countries in which we transact business. In particular, price controls, taxes and other laws relating to the oil and gas industry and the environment and changes in laws and regulations relating to such matters may affect our operations. If these regulations apply to us, they may require us to, for example, obtain licenses or permits in order to bid on contracts or conduct our operations or enter into a joint venture, agency or similar business arrangement with local individuals or businesses in order to conduct business in those countries. These regulations frequently encourage or mandate the hiring of local contractors and require foreign contractors to employ citizens of, or purchase supplies from within, the relevant country. In addition, we may become involved in proceedings with regulatory authorities that may require us to pay fines, comply with more rigorous standards or other requirements or incur capital and operating expenses for compliance with such laws and regulations.

33. Our operations may involve international jurisdictions and locations where there may be security risks, which could result in harm to our employees or unanticipated costs.

Our operations may involve working on projects in jurisdictions and locations where the country or location is subject to political, social or economic risks, or war or civil unrest. For example, we are currently working on a few projects in Algeria, wherein our Company has experienced such security risks in the past. For further information on our international operations, see "Business – Our Markets – International Operations" on page 119. If we work on a project in a jurisdiction or location that involves security risks, we may incur unforeseen security costs in order to maintain the safety of our personnel. There can however be no assurance that any such measures taken by us will be adequate to ensure the safety of our personnel or subcontractors and other parties involved in the project.

34. If we experience insufficient cash flows to meet required payments on working capital requirements, there may be an adverse effect on our results of operations.

Working capital requirement in our business is relatively low because of the contractually agreed progressive billing and payment schedules based on project milestones. Our working capital requirements may however increase if, in certain contracts, payment terms include reduced advance payments or payment schedules that specify payment towards the end of a project or are less favorable to us. Continued increases in working capital requirements may have an adverse effect on our financial condition and results of operations.

It is customary in the industries in which we operate to provide letters of credit, bank guarantees or performance bonds in favor of clients to secure obligations under contracts. If we are unable to provide sufficient collateral to secure the letters of credit, bank guarantees or performance bonds, our ability to enter into new contracts could be limited. Providing security to obtain letters of credit, bank guarantees and performance bonds increases our working capital needs and limits our ability to provide bonds, guarantees, and letters of credit, and to repatriate funds or pay dividends. We may not be able to continue obtaining new letters of credit, bank guarantees, and performance bonds in sufficient quantities to match our business requirements.

35. We could be adversely affected if we fail to keep pace with technical and technological developments in the engineering and construction industry.

Our recent experience indicates that clients are increasingly developing larger, more technically complex projects in the energy industry and infrastructure sector. To meet our clients' needs, we must continuously update existing, and develop new technology for our engineering and construction services. In addition, rapid and frequent technology and market demand changes can often render existing technologies obsolete, requiring substantial new capital expenditures and/or write downs of assets. Our failure to anticipate or to respond adequately to changing technical, market demands and/or client requirements could adversely affect our business and financial results.

36. An inability to manage our growth could disrupt our business and reduce our profitability.

We have experienced growth in recent years and expect our business to grow as a result of our international operations and strategic diversification into other industries and sectors. We expect this growth to place additional demands on us and require us to continuously evolve and improve our operational, financial and internal controls across the organization. In particular, continued expansion increases the challenges involved in:

- maintaining high levels of client satisfaction;
- recruiting, training and retaining sufficient skilled management, technical and marketing personnel;
- adhering to health, safety and environment and quality and process execution standards that meet client expectations;
- preserving a uniform culture, values and work environment in operations within and outside India; and
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications and other internal systems.

Any inability to manage our growth may have an adverse effect on our business and results of operations.

37. Misconduct by employees, agents or partners or our failure to comply with laws or regulations could weaken our ability to win contracts, which could result in reduced revenues and profits.

Misconduct, fraud, non-compliance with applicable laws and regulations, or other improper activities by one of our employees, agents or partners could have a significant negative impact on our business and reputation. Such misconduct could include the failure to comply with government procurement regulations, regulations regarding the protection of classified information, regulations prohibiting bribery and other foreign corrupt practices, regulations regarding the pricing of labor and other costs in government contracts, regulations on lobbying or similar activities, regulations pertaining to the internal controls over financial reporting, environmental laws, and any other applicable laws or regulations. For example, we regularly provide services that may be highly sensitive or that relate to critical national security matters; if a security breach were to occur, our ability to procure future government contracts could be severely limited. The precautions we take to prevent and detect these activities may not be effective, and we could face unknown risks or losses. Our failure to comply with applicable laws or regulations or acts of misconduct could subject us to fines and penalties, loss of security clearance, and suspension or debarment from contracting, which could weaken our ability to win contracts and result in reduced revenues and profits and could have a material adverse impact on our business, financial condition, and results of operations.

38. Our quarterly results may fluctuate significantly, which could have a material negative effect on the price of the Equity Shares.

Our quarterly operating results may fluctuate significantly, which could have a material negative effect on the price of the Equity Shares because of a number of factors, including:

Fluctuations in the spending patterns of our government and commercial clients;

- The number and significance of projects executed during a quarter;
- Unanticipated changes in contract performance, particularly with contracts that have funding limits;
- The timing of resolving change orders, requests for equitable adjustments, and other contract adjustments;
- Delays incurred in connection with a project;
- Weather conditions that delay work at project sites;
- The timing of expenses incurred in connection with acquisitions or other corporate initiatives;
- Natural disasters or other crises;
- Staff levels and utilization rates;
- Changes in prices of services offered by our competitors; and
- General economic and political conditions.

39. Our actual results could differ from the estimates and assumptions used to prepare our financial statements.

In preparing our financial statements, our management is required under Indian GAAP to make estimates and assumptions as of the date of the financial statements. These estimates and assumptions affect the reported values of assets, liabilities, revenue, and expenses and disclosure of contingent assets and liabilities. Areas requiring estimates by our management include:

- Recognition of contract revenue, costs, profit or losses in applying the principles of percentage of completion accounting;
- Estimated amounts for expected project losses, warranty costs, contract close-out or other costs;
- Recognition of recoveries under contract claims;
- Collectability of billed and unbilled accounts receivable and the need and amount of any allowance for doubtful accounts;
- Accruals for estimated liabilities, including litigation liabilities and
- The determination of liabilities under post-retirement defined benefit programs.

Our actual business and financial results could differ from our estimates of such results, which could have a material negative impact on our financial condition and results of operations.

40. Our use of the percentage-of-completion method of accounting could result in a reduction or reversal of previously recorded revenue or profits.

Under our accounting procedures, we measure and recognize a large portion of our profits and revenue under the percentage-of-completion accounting methodology. This methodology allows us to recognize revenue and profits ratably over the life of a contract by comparing the amount of the cost incurred to date against the total amount of cost expected to be incurred. The effect of revisions to revenue and estimated cost is recorded when the amounts are known and can be reasonably estimated, and these revisions can occur at any time and could be material. On a historical basis, we believe that we have made reasonably reliable estimates of the progress towards completion on our long-term contracts. Given the uncertainties associated with these types of contracts, it is possible for actual cost to vary from estimates previously made, which may result in reductions or reversals of previously recorded revenue and profits.

41. Our IT systems may be vulnerable to security breaches, piracy and hacking.

Our IT systems may be vulnerable to computer viruses, piracy, hacking or similar disruptive problems. Computer viruses or problems caused by third parties could lead to disruptions in our services to our customers. Moreover, we may not operate an adequate disaster recovery system. Fixing such problems caused by computer viruses or security breaches may require interruptions, delays or temporary suspension of our services, which could result in lost revenue and dissatisfied customers. Breaches of our IT systems, including through piracy or hacking may result in unauthorized access to our content. Such breaches of our IT systems may have a material adverse effect on our earnings and financial condition and may also require us to incur further expenditure to put in place more advanced security systems to prevent any unauthorized access to our networks.

42. Major fraud, lapses of control, system failures or calamities could adversely impact our business.

We are vulnerable to risks arising from the failure of employees to adhere to approved procedures, system controls, fraud, system failures, information system disruptions, communication systems failure and data interception during transmission through external communication channels and networks. Failure to detect fraud or breaches in security may adversely affect our operations. Our reputation also could be adversely affected by major fraud committed by our employees, agents, clients or third parties.

43. The success of our joint ventures depends on the satisfactory performance by our joint venture partners of their joint venture obligations. The failure of our joint venture partners to perform their joint venture obligations could impose on us additional financial and performance obligations that could result in reduced profits or, in some cases, unforeseen losses for us with respect to the joint venture.

We enter into various joint ventures as part of our engineering, procurement and construction businesses, including project-specific joint ventures, where control may be shared with unaffiliated third parties. We currently have two incorporated joint venture companies, TEIL Projects Limited and Tecnimont EIL Emirates - Consultores E Servicos, Lda. For further information relating to these joint venture companies, see "Business – Joint Ventures and Strategic Alliances" on page 122. In addition, in connection with the bidding process for certain larger or more technically complex projects, we may enter into single-project joint ventures or strategic alliances with other engineering and construction or technology companies to share risks and combine financial, technical and other resources. For further information relating to these joint venture and strategic alliances, see "Business – Joint Ventures and Strategic Alliances – Other Strategic Alliances" on page 122.

Differences in opinions or views between joint venture partners can result in delayed decision-making or failure to agree on material issues which could adversely affect the business and operations of the venture. From time to time in order to establish or preserve a relationship, or to better ensure venture success, we may accept risks or responsibilities for the joint venture which are not necessarily proportionate with the reward we expect to receive. The success of these and other joint ventures also depends, in large part, on the satisfactory performance by our joint venture partners of their joint venture obligations, including their obligation to commit working capital, equity or credit support as required by the joint venture and to support their indemnification and other contractual obligations. If our joint venture partners fail to satisfactorily perform their joint venture obligations as a result of financial or other difficulties, the joint venture may be unable to adequately perform or deliver its contracted services. Under these circumstances, we may be required to make additional investments and provide additional services to ensure the adequate performance and delivery of the contracted services. These additional obligations could result in reduced profits or, in some cases, increased liabilities or significant losses for us with respect to the joint venture. In addition, a failure by a joint venture partner to comply with applicable laws, rules or regulations could negatively impact our business and, in the case of government contracts, could result in fines, penalties, suspension or even debarment.

44. We could incur additional cost or loss in revenue in connection with our failure to comply with all our commitments in our engineering consultancy and project management contracts.

Our engineering consultancy and project management consultancy contracts typically require us to assume several obligations, which include but are not limited to the following: maintenance of registrations, licenses and permits required for performance of the work in our name or that of our employees, agents or subcontractors; adherence to safety requirements, failing which penalties may be deducted from payments due; insurance liability in respect of workman's compensation insurance covering all our employees, group personnel accident insurance, insurance against fire, theft, damage and loss of property owned by us at the construction site, among others; provision of bank guarantees and performance bonds; liability for defects within the stipulated liability period and breach of warranties; provisions for liquidated damages. We may, from time to time, not be able to comply with all of these provisions, which may result in the payment of damages and assessment of penalties, the incurrence of additional costs and loss in revenue, and adversely affect our business, financial condition and results of operations.

45. If we are unable to form teaming arrangements, our ability to compete for and win certain contracts may be negatively impacted.

In both the private and public sectors, either acting as a prime contractor, a subcontractor or as a member of team, we may join with other firms to form a team to compete for a single contract. Because a team can offer stronger combined qualifications than any firm standing alone, these teaming arrangements can be very important to the success of a particular contract bid process or proposal. The failure to maintain such relationships in certain markets, may impact our ability to win work.

46. Our strategy of targeting engineering consultancy projects in the nuclear sector in the future will require us to obtain necessary approvals from the DIPP and FIPB or other regulatory approvals, as applicable.

Our strategy of expanding our operations to target engineering consultancy opportunities in the nuclear power sector with a focus on balance of plant engineering consultancy services will require us to obtain necessary approvals from the DIPP and the FIPB in accordance with the prevailing foreign direct investment policy. The no-objection certificate dated July 5, 2010 granted to us by the RBI in relation to the Offer stipulates that in the event that we venture into engineering consultancy services in the nuclear sector in the future, we will be required to obtain necessary approvals from the DIPP and the FIPB.

47. We may undertake strategic acquisitions or investments, which may prove to be difficult to integrate and manage or may not be successful.

In the future, we may consider making strategic acquisitions of other engineering, construction or other companies whose resources, capabilities and strategies are complementary to and are likely to enhance our business operations in the different geographic regions in which we operate.

It is also possible that we may not identify suitable acquisition or investment candidates, or that if we do identify suitable candidates, we may not complete those transactions on terms commercially acceptable to us or at all. The inability to identify suitable acquisition targets or investments or the inability to complete such transactions may adversely affect our competitiveness or our growth prospects.

If we acquire another company we could face difficulty in integrating the acquired operations. In addition, the key personnel of the acquired company may decide not to work for us. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses. There can be no assurance that we will be able to achieve the strategic purpose of such acquisition or operational integration or our targeted return on investment.

48. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and the restrictive covenants in our financing arrangements.

Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures. Our ability to pay dividends may also be restricted under certain financing arrangements that we have entered into and expect to enter into. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements for our business, financial condition and results of operations.

49. *Our results of operations could be adversely affected by any disputes with our employees.*

We have a professional and qualified employee base with over 3,300 employees, including more than 2,730 technically qualified employees. The number of contract laborers vary from time to time based on the nature and extent of work contracted to independent contractors. We enter into contracts with independent contractors to complete specified assignments. As of March 31, 2010, approximately 2% of our full-time employees were located outside India.

While we believe that we maintain good relationships with our employees and contract labor, there has been a strike in the past and there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations. All contract laborers engaged at our project sites are assured minimum wages that are fixed by local government authorities. Any upward revision of wages required by such governments to be paid to such contract laborers, or offer of permanent employment or the unavailability of the required number of contract laborers, may adversely affect our business and results of our operations.

50. *Our inability to obtain, renew or maintain our statutory and regulatory permits and approvals required to operate our business may have a material adverse effect on our business.*

We require certain statutory and regulatory permits and approvals for our business. For example, laws or regulations in some countries may require us to obtain licenses or permits in order to bid on contracts or otherwise conduct our operations. In some jurisdictions, activities related to projects may be subject to the prior granting of environmental licenses or permits or to prior notification. In the future, we will be required to renew such permits and approvals and obtain new permits and approvals for any proposed operations. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Failure by us to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations. We have made applications to various authorities which are currently pending. We cannot assure you that we will be able to obtain approvals in respect of such applications or any application made by us in the future, in a timely manner or at all. For further information, see "Government and Other Approvals" on page 196.

51. *If we experience delays and/or defaults in client payments, we may be unable to recover all expenditures.*

Because of the nature of our contracts, we sometimes commit resources to projects prior to receiving payments from the client in amounts sufficient to cover expenditures as they are incurred. In difficult economic times, some of our clients may find it increasingly difficult to pay invoices for our services timely, increasing the risk that our accounts receivables could become uncollectible and ultimately be written off. Delays in client payments may require us to make a working capital investment, which could impact our cash flows and liquidity. If a client fails to pay invoices on a timely basis or defaults in making its payments on a project in which we have devoted resources, there could be a material adverse effect on our results of operations or liquidity.

52. *Any significant future indebtedness and any conditions and restrictions imposed by such financing agreements could restrict our ability to conduct our business and operations in the manner we desire.*

Although as of March 31, 2010, we had no outstanding indebtedness, we may incur debt in the future. Any significant indebtedness in the future could have important consequences on our cash flows to fund working capital, capital expenditures, acquisitions and other general corporate requirements. In addition, fluctuations in market interest rates may affect the cost of our borrowings. Any conditions and restrictions imposed by such financing agreements could restrict our ability to conduct our business and operations in the manner we desire. In addition, failure to meet any conditions or obtain consents required under such financing arrangements could have adverse consequences on our business and operations.

53. *We have certain contingent liabilities which may adversely affect our financial condition.*

As of March 31, 2010, we had certain contingent liabilities not provided for, including commercial claims in pending court or arbitration proceedings amounting to Rs. 707.6 million, capital commitments not provided for, at an estimated Rs. 559.0 million, guarantees issued by banks amounting to Rs. 4,184.90 million and letters of credit amounting to Rs. 1,300.6 million. The contingent liability amounts recorded in our audited consolidated financial statements represent estimates and assumptions of our management based on advice received. In the event that any of these contingent liabilities materialize, our financial condition may be adversely affected.

54. Our Subsidiary, EIL Asia Pacific Sdn. Bhd. ("EILAP"), incurred losses in the financial year ending December 31, 2009.

Our subsidiary, EILAP, incurred losses of Rs. 0.42 million for the financial year ended December 31, 2009. However, there are no accumulated losses.

55. Our Company will continue to be controlled by the GoI following this Offer, and other shareholders may not be able to affect the outcome of the shareholder's voting.

Post-Offer, the GoI will own 270,900,540 Equity Shares, or 80.40% of the Company's paid up capital. Consequently, the GoI will continue to control the Company and will have the power to elect and remove the Directors and therefore determine the outcome of most proposals for corporate action requiring approval of the Board or the shareholders, including with respect to the payment of dividends. Under the Articles of Association, the GoI may issue directives with respect to the conduct of the Company's business or its affairs or impose other restrictions. For further information on the Articles of Association, see "Main Provisions of the Articles of Association" on page 259. The GoI could require the Company to take actions designed to serve the public interest in India and not necessarily to maximize profits. In addition, as a result of its ownership by the GoI, the Company is required to adhere to certain restrictions with respect to the types of investments it may make using its cash balances, which effectively restrict it from entering into certain investments providing a higher rate of return. The GoI will retain control over the decisions requiring adoption by the shareholders acting by a simple majority or three-fourth majority of votes. The interests of the GoI with respect to such matters and the factors that it will take into account when exercising its voting rights may not be consistent with those of the Company's other shareholders, including investors that purchase the Equity Shares in the Offer. In addition, many of the companies with whom the Company does business are also controlled by the GoI. As a result, GoI may take actions with respect to our business and the businesses of our peers and competitors that may not be in our or our other shareholders' best interests.

56. There has been a limited prior public trading market for the Equity Shares.

Prior to the Offer, only 9.60% of our Company's issued capital was held by the public and there has been a limited public trading market for the Equity Shares. There can be no assurance that an active trading market for the Equity Shares will develop or, if developed, can be sustained following the closure of the Offer. If an active trading market is not developed or maintained, the liquidity and trading price of the Equity Shares could be materially and adversely affected.

57. The price of the Equity Shares may fluctuate considerably.

The Offer Price has been determined by the Selling Shareholder, in consultation with the BRLMs. The market price of the Equity Shares could be subject to significant price and volume fluctuations that may be unrelated to our operating performance. The market price of the Equity Shares may fluctuate considerably in response to a number of factors, many of which are beyond our control, including but not limited to, variations in operating results in our reporting periods, changes in financial estimates by securities analysts, fluctuations in commodity prices, changes in market valuation of similar companies, announcements by us of key contracts, acquisitions, strategic alliances, joint ventures or capital commitments, loss of a major client, additions or departures of key personnel, any shortfall in revenue or net income or any increase in losses from levels expected by securities analysts, future issues or sales of Equity Shares, and stock market price and volume fluctuations. Any of these events could result in a material decline in the price of the Equity Shares.

58. ***Future sales of Equity Shares by shareholders, including by the GoI, or any future equity offerings by us may adversely affect the market price of the Equity Shares.***

Upon completion of the Offer, GoI will hold 270,900,540 Equity Shares, or 80.40%, of the Company's fully diluted post-Offer paid up share capital. The market price of the Equity Shares could be affected by sales of a large number of the Equity Shares by the GoI or other shareholders or by a perception that such sales may occur. In addition, the Company may raise funds through further equity or convertible offerings. As a purchaser of the Equity Shares, you may experience dilution to your shareholding if we conduct future equity or convertible equity offerings. Such dilutions could adversely affect the trading price of the Equity Shares.

59. ***As a listed company, we are required to release our results for the three months ended June 30, 2010 by August 15, 2010. We cannot assure you that such results will be in line with estimates or that they will not indicate that an adverse change in our financial condition or results of operations has occurred.***

Pursuant to our listing agreement requirements, we are required to announce our results as of and for the three month period ended June 30, 2010 within 45 days of the period end, or August 15, 2010. As of the date of this Red Herring Prospectus, we cannot assure you that such results will be in line with those estimated or historically achieved or that there has not been any material adverse change in our financial condition or results of operations. Any such material adverse change in the results could have a negative impact on the price of our Equity Shares.

60. ***The DIN of Mr. Adit Jain has been erroneously provided and the DIN of Dr. (Prof.) Krishna Deo Prasad Nigam has not yet been granted***

The DIN of Mr. Adit Jain has been erroneously provided in the name of Mr. Aditya Jain. Mr. Adit Jain has made an application of rectification of such error. Further, Dr. (Prof.) Krishna Deo Prasad Nigam has not been granted a DIN, while an application for the same has been made by him. There can be no assurance that errors in the DIN of Mr. Adit Jain shall be rectified in due course, or at all, and that Dr. (Prof.) Krishna Deo Prasad Nigam shall be granted a DIN.

EXTERNAL RISK FACTORS

Risks Relating to our Industry

61. ***Demand for our services depends primarily on the activity and expenditure levels in the energy industry, mining and metallurgy industry, the infrastructure sector as well as the other industries we serve.***

Demand for our engineering and construction services for petroleum refineries, petrochemicals projects, pipelines, offshore and onshore oil and gas projects and storage tanks and terminals is particularly sensitive to the level of development, production, exploration and transportation activity of, and the corresponding capital spending by, energy companies. Income derived from the energy industry accounted for the substantial majority of our income in the last three fiscal years. We expect that the energy industry will continue to account for a majority of our revenues and profits in the future. Capital expenditure in the energy industry is influenced by, among other factors, the rate of discovery and development of new oil and gas reserves; global demand for oil and gas and derivative products; increasing focus on alternative sources of energy, particularly renewable and sustainable forms of energy; local and international political and economic conditions, including the ability of OPEC countries to set and maintain production levels and prices for oil and gas; level of production by non-OPEC countries; exploration, extraction, production and transportation costs; the sale and expiration dates of leases and concessions granted for exploration activities; governmental regulations and policies relating to the exploration for and production and development of their oil and natural gas reserves; global weather conditions; and trends in environmental legislation.

Oil and gas prices are subject to significant fluctuations in response to relatively minor changes in the supply of and demand for oil and gas, market uncertainty and a variety of other factors that are beyond our control. Any prolonged reduction in oil and gas prices will depress the level of exploration, development, production and transportation activity and result in a corresponding decline in the demand for our services in the energy industry. Any prolonged increase in oil and gas prices may also result in decreased or slowing of consumer demand for products derived from oil and gas, including gasoline, chemicals, synthetic fabrics and plastics, consequently resulting in reduced financial incentive to invest in additional production or transportation capacity. Sustained volatility of oil and gas prices can also cause capital expenditures to be postponed or cancelled. Historically, the markets for oil and gas have been volatile and are likely to continue to be volatile in the future. Oil prices have fluctuated significantly in fiscal 2008 and fiscal 2009, which significantly impacted the operations and capital expenditures by energy majors. In particular, oil prices decreased rapidly and significantly during fiscal 2009, which adversely impacted energy industry operations in various ways.

Sales prices and volumes in the mining and metallurgical industry depend primarily on the prevailing and expected level of demand for the relevant mineral in the end product industry, and is typically cyclical. A number of factors, the most significant of which is the prevailing level of worldwide demand for steel, aluminum and other metallic end products, influence such industries. During periods of sluggish or declining regional or world economic growth, demand for these end products generally decreases, which usually leads to corresponding reductions in demand for the relevant mineral. The recent global market fluctuations and economic downturn which occurred towards the end of 2008 adversely affected the manufacturing industry, and consequently reducing the demand and prices for minerals and metals used in such industries. The prices of minerals and other raw materials are influenced by many factors, including demand, worldwide production capacity, capacity-utilisation rates, exchange rates, trade barriers and improvements in end-use industries. Accordingly, any significant decrease in demand for metal and mineral products or decline in the price of these products could result in reduced revenues, thereby materially and adversely affecting our business, financial condition, results of operations and prospects.

Demand for our services in the infrastructure sector is primarily dependent on sustained economic development in the regions that we operate and government policies relating to infrastructure development. It is also significantly dependent on budgetary allocations made by governments for this sector as well as funding provided by international and multilateral development finance institutions for infrastructure projects. Investment by the private sector in infrastructure projects is dependent on the potential returns from such projects and is therefore linked to government policies relating to private sector participation and sharing of risks and returns from such projects.

A reduction of capital investment in the energy industry, the mining and metallurgical sector, the infrastructure sector or other industries that we serve due to any of these factors or for any other reason could have a material adverse effect on our results of operations and financial condition.

62. Our vulnerability to the cyclical nature of certain markets we serve is exacerbated during economic downturns.

The demand for our services and products is dependent upon the existence of projects with engineering, procurement, construction and management needs. If the global economy remains relatively weak and/or if client spending continues to decline, then our overall revenue and profitability could be harmed. Moreover, given the nature of the markets we serve, the recovery in our business has traditionally lagged behind recoveries in the overall economy and therefore may not recover as quickly as other businesses. Although economic downturns can impact our entire business, our commodity-based segments tend to be more cyclical in nature, and our commodity-based business lines, such as our oil and gas business, can be affected by a decrease in worldwide demand for these projects. Industries such as these and many of the others we serve have historically been and will continue to be vulnerable to economic downturns. As a result, our past results have varied considerably and may continue to vary depending upon the demand for future projects in these industries, especially during periods of economic uncertainty.

63. Sustained high equipment or materials costs may adversely affect our results of operations.

Materials costs constitute a significant part of our operating expenses. EPC contracts involve various bulk construction materials including steel, cement, bitumen and welding electrodes. For EPC contracts, we are also required to procure various equipment including process equipment, mechanical equipment, vessels, machinery, piping materials and electrical and instrumentation components. Our ability to pass on increases in equipment and materials costs may be limited under fixed-price or lumpsum turnkey contracts with limited price variation provisions. Unanticipated increases in equipment or materials costs not taken into account in our bid may adversely affect our results of operations.

64. Fluctuations in commodity prices may affect our clients' investment decisions and therefore subject us to risks of cancellation, delays in existing work, or changes in the timing and funding of new awards.

Commodity prices can affect our clients in a number of ways. For example, for those customers that produce commodity products such as oil, gas, aluminum, or fertilizers, fluctuations in price can have a direct effect on their profitability and cash flow and, therefore, their willingness to continue to invest or make new capital investments. To the extent our customers defer new investments or cancel or delay existing projects, the demand for our services decreases, which may have a material adverse impact on our business, financial condition, and results of operations.

Commodity prices can also strongly affect the costs of projects. Rising commodity prices can negatively impact the potential returns on investments that are planned, as well as those in progress, and result in customers deferring new investments or canceling or delaying existing projects. Cancellations and delays have affected our past results and may continue to do so in significant and unpredictable ways and could have a material adverse impact on our business, financial condition, and results of operations.

65. We could be adversely impacted if we fail to comply with domestic and international export laws.

Our operations require importing and exporting goods and technology across international borders on a regular basis. To the extent we export technical services and data outside India we are subject to Indian and international laws and regulations governing international trade and exports. From time to time, we may identify certain inadvertent or potential export or related violations. These violations may include, for example, transfers without required governmental authorization. A failure to comply with these laws and regulations could result in civil or criminal sanctions, including the imposition of fines, the denial of export privileges and suspension or debarment from participation in government contracts.

66. If we fail to comply with central, state, local or foreign regulations, our business may be adversely affected.

Our projects are subject to extensive government and environmental laws and regulations both in India and abroad which govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from the operations of our business. These laws and regulations include the Environmental Protection Act 1986, the Air (Prevention and Control of Pollution) Act 1981, the Water (Prevention and Control of Pollution) Act 1974 and other regulations promulgated by the Ministry of Environment and the Pollution Control Boards of the relevant states in India. In addition, some of our operations are subject to risks involving personal injury, loss of life, environmental damage and severe damage to property.

Environmental regulation of industrial activities in India may become more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental, or pollution regulations, we may be required to incur significant amounts on, among other things, environmental monitoring and pollution control equipment. We may also be required to bear additional expenditure for establishment of additional infrastructure, such as laboratory facilities for monitoring pollution impact. In addition, failure to comply with environmental laws may result in the assessment of penalties and fines against us by regulatory authorities. There can be no assurance that we will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to safety, health and environmental matters in the future, the costs of which could be material.

Such laws, regulations and policies are reviewed periodically and any changes could affect us in substantial and unpredictable ways. Such changes could, for example, relax or repeal laws and regulations relating to the environment, which could result in a decline in the demand for our services and, in turn, could negatively impact our revenue. Our failure to comply with such laws or regulations, whether actual or alleged, could expose us to fines, penalties or potential litigation liabilities, including costs, settlements and judgments, any of which could adversely affect our business, financial condition and results of operations.

67. Foreign exchange risks may affect our ability to realize a profit from certain projects.

We may enter into contracts outside India that subject us to currency risk exposure, particularly because revenues from these contracts may be denominated in a currency different than the principal costs, which are incurred principally in Indian Rupees. In fiscal 2010, approximately 5% of our total income from services was denominated in foreign currencies. We may not enter into derivative instruments or hedging arrangements against foreign currency fluctuations. In the event of significant fluctuations between these foreign currencies and the Indian Rupee, our foreign currency risk exposure could limit our ability to realize profits from some of our international contracts.

68. Our business is subject to a number of tax regimes and changes in the legislation governing the rules implementing them or the regulator enforcing them in any one of these countries could negatively and adversely affect our results of operations.

Our operations are spread across India, as well as various jurisdictions across the Middle East, North Africa, and South East Asia. Consequently, we are subject to the jurisdiction of a number of tax authorities and regimes. The revenues recorded and income earned in these various jurisdictions are taxed on differing bases, including net income actually earned, net income deemed earned and revenue-based tax withholding. The final determination of our tax liabilities involves the interpretation of local tax laws, tax treaties and related authorities in each jurisdiction as well as the use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. Changes in the operating environment, including changes in tax law and currency/repatriation controls, could impact the determination of our tax liabilities for any given tax year.

Foreign income tax returns of foreign subsidiaries, unconsolidated affiliates and related entities are routinely examined by foreign tax authorities. These tax examinations may result in assessments of additional taxes or penalties or both.

Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

69. Our operations are sensitive to weather conditions.

We have business activities that could be materially and adversely affected by severe weather. Repercussions of severe weather conditions may require us to curtail services, result in the suspension of operations, damage our facilities, prevent us from delivering materials to our jobsites in accordance with contract schedules or generally reduce our productivity.

Our operations are also adversely affected by difficult working conditions and extremely high temperatures during summer months and during monsoon which restrict our ability to carry on construction activities and fully utilize our resources. Since we record revenues from certain projects using the percentage of completion method, during periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses on these projects, but our revenues from operations may be delayed or reduced.

70. There is no guarantee that the Equity Shares will be listed and traded on the BSE and the NSE in a timely manner or at all, and any trading closures at the BSE and the NSE may adversely

affect the trading price of our Equity Shares.

In accordance with Indian law and practice, permission for listing and trading of Equity Shares in the Offer will not be granted until after those Equity Shares have been allotted. Approval will require all other relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the BSE and the NSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe and the U.S. The BSE and the NSE have in the past experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares, in both domestic and international markets. A closure of, or trading stoppage on, either of the BSE and the NSE could adversely affect the trading price of the Equity Shares. Historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future.

Risks relating to Investment in the Equity Shares

71. Any downgrading of India's debt rating by an independent agency may adversely affect the Company's ability to raise financing on terms commercially acceptable to it.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise financing, and the interest rates and other commercial terms at which such financing is available. This could have a material adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures, and the price of the Equity Shares.

72. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.

The Company is subject to a daily circuit breaker imposed by all stock exchanges in India which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges may change such limits without the Company's knowledge. This circuit breaker effectively limits upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at a particular point in time.

73. Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.

The Indian securities markets are smaller than securities markets in certain other economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. The Indian stock exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasions between listed companies and the Indian stock exchanges, and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected.

74. Financial instability in other countries, particularly emerging market countries, could disrupt our business and affect the price of our Equity Shares.

Although economic conditions are different in each country, investors' reactions to developments in one country may have an adverse effect on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

75. There may be less company information available regarding Indian securities markets compared to information available regarding securities markets in developed countries.

The level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants and markets is not as transparent in India as it is in some other developed economies, although SEBI and the Indian Stock Exchanges are responsible for improving disclosure and other regulatory standards for the Indian securities markets. SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in other more developed economies.

76. Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.

The Companies Act and related regulations, the Articles of Association and our listing agreements with the Stock Exchanges govern the corporate affairs of the Company. Legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as a shareholder than as a shareholder of a corporation in another jurisdiction.

77. Our Equity Shares are quoted in Indian rupees in India and investors may be subject to potential losses arising out of exchange rate risk on the Indian rupee and risks associated with the conversion of Indian rupee proceeds into foreign currency.

Investors are subject to currency fluctuation risk and convertibility risk since the Equity Shares are quoted in Indian rupees on the Indian stock exchanges on which they are listed. Dividends on the Equity Shares will also be paid in Indian rupees. In addition, investors that seek to sell Equity Shares will have to obtain approval from RBI, unless the sale is made on a stock exchange or in connection with an offer made under regulations regarding takeovers. The volatility of the Indian rupee against the U.S. dollar and other currencies subjects investors who convert funds into Indian rupees to purchase our Equity Shares to currency fluctuation risks.

78. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws and regulations, capital gains arising from the sale of Equity Shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("STT") has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of equity shares held for more than 12 months by an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

79. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

Risks Relating to Investments in India and Global Economic Conditions

80. Global economic conditions have been unprecedented and challenging and have had, and continue to have, an adverse effect on the global and Indian financial markets and the world and Indian economies in general, which has had, and may continue to have, a material adverse effect on the Company's business and financial performance, and may have an impact on the price of our Equity Shares.

Recent global market and economic conditions have been unprecedented and challenging with tighter credit conditions and an economic recession has been witnessed in most major economies in 2009. Continued concerns about the systemic impact of potential long-term and wide-spread economic recession, energy costs, geopolitical issues, the availability and cost of credit, and the global housing and mortgage markets have contributed to increased market volatility and diminished expectations for western and emerging economies. In the second half of 2008, added concerns fuelled by the United States government conservatorship of the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association, the declared bankruptcy of Lehman Brothers Holdings Inc., the United States government financial assistance to certain financial and other institutions and other federal government interventions in the United States financial system led to increased market uncertainty and instability in both United States and international capital and credit markets. These conditions, combined with volatile oil prices, declining business and consumer confidence and increased unemployment, have contributed to volatility of unprecedented levels.

As a result of these market conditions, the cost and availability of credit has been and may continue to be adversely affected by illiquid credit markets and wider credit spreads. Concern about the stability of the markets generally and the strength of counterparties specifically has led many lenders and institutional investors to reduce, and in some cases, cease to provide credit to businesses and consumers. These factors have led to a decrease in spending by businesses and consumers alike and corresponding decreases in global infrastructure spending and commodity prices. Continued turbulence in the United States and international markets and economies and prolonged declines in business consumer spending may adversely affect our liquidity and financial condition, and the liquidity and financial condition of our customers, including the Company's ability to access the capital markets to meet liquidity needs. These market and economic conditions have had, and continue to have, an adverse effect on the global and Indian financial markets and the global and Indian economy in general, which has had, and may continue to have, a material adverse effect on our business and financial performance, and may have an impact on the price of the Equity Shares.

81. A substantial portion of the Company's assets and operations are located in India and it is subject to regulatory, economic, social and political uncertainties in India.

A substantial portion of the Company's assets and employees are located in India, and it intends to continue to develop and expand our facilities in India. Consequently, our financial performance will be affected by changes in exchange rates and controls, interest rates, changes in government policies, including taxation policies, social and civil unrest and other political, social and economic developments in or affecting India.

The GoI has exercised and continues to exercise significant influence over many aspects of the Indian economy. Since 1991, successive Indian governments have pursued policies of economic liberalisation, including by relaxing restrictions on the private sector. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers and regulators has remained important, and the Company cannot assure you that such liberalisation policies will continue. The present government, formed in May 2009, has announced policies and taken initiatives that support the continued economic liberalisation policies that have been pursued by previous governments for more than a decade, although there can be no assurance that such policies will continue. The rate of economic liberalisation could change, and specific laws and policies affecting engineering construction companies, foreign investments, currency exchange rates and other matters affecting investment in India could change as well. A significant change in India's policy of economic liberalisation and deregulation could adversely affect business and economic conditions in India generally and could adversely affect the Company's business, in particular, if new restrictions are introduced or if existing restrictions are increased.

82. Terrorist attacks and other acts of violence involving India or other neighbouring countries could adversely affect the Company's operations directly, or may result in a more general loss of customer confidence and reduced investment in these countries that reduces the demand for the Company's products, which would have a material adverse effect on our business, results of operations, financial condition and cash flows.

Terrorist attacks and other acts of violence or war involving India or other neighboring countries may adversely affect the Indian markets and the worldwide financial markets. In recent years, there have been incidents in and near India such as the November 2008 terrorist attacks in Mumbai, the July 2006 bombings of suburban trains in Mumbai, other terrorist attacks in Mumbai, Delhi and other parts of India, a terrorist attack on the Indian Parliament, troop mobilizations and military confrontations in Kashmir and along the India/Pakistan border and an aggravated geopolitical situation in the region. In addition, South Asia more generally has experienced instances of civil unrest and hostilities among neighboring countries from time to time. The occurrence of any of these events may result in a loss of business confidence, which could potentially lead to economic recession and generally have an adverse effect on our business, results of operations, financial condition and cash flows. In addition, any deterioration in international relations may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. If India were to become engaged in armed hostilities, particularly hostilities that were protracted or involved the threat or use of nuclear weapons, the Company might not be able to continue its operations. Military activity or terrorist or rebel group attacks in the future could adversely affect the Indian economy by disrupting communications and making travel more difficult or by disrupting the Company's operations directly, including through disruptions to the transportation lines over which the Company transports its goods, such as domestic railway lines. In particular, certain of our projects may be located in geographically remote areas that may be more prone to vandalism or other attacks by representatives of rebel forces or other political groups. Moreover, our Company's officers and employees may be held hostage by terrorists against the payment of ransom. Any of these conditions could have an adverse effect on our business, financial condition and results of operations.

83. If natural disasters or environmental conditions in India, including fire, floods and earthquakes, affect the Company's projects, our revenues could decline.

Natural calamities such as floods, fire, rains, heavy downpours and earthquakes could disrupt our projects. Certain regions in India have also experienced floods, earthquakes, tsunamis and droughts in recent years. In December 2004, Southeast Asia, including the eastern coast of India, experienced a massive tsunami, and in October 2005, the State of Jammu and Kashmir experienced an earthquake, both of which events caused loss of lives and property damage. Substantially all of our projects and employees are located in India and there can be no assurance that we will not be affected by natural disasters in the future. In addition, if there were a drought or general water shortage in India or any part of India where the Company's operations are located, the GoI or local, state or other authorities may restrict water supplies to the Company and other industrial operations in order to maintain water supplies for drinking and other public necessities, which would cause the Company to reduce or close its operations.

84. If India's inflation worsens or the prices of oil or other raw materials rise, the Company may not be able to pass the resulting increased costs to its customers and this may adversely affect our profitability or cause us to suffer operating losses.

India has recently experienced fluctuating wholesale price inflation, which may adversely impact its economic growth. In addition, international prices of crude oil have recently experienced significant volatility, including a rise to historical highs that increased transportation costs, followed more recently by a significant decline as global economic conditions have deteriorated. Inflation, increased transportation costs and an increase in energy prices generally, which may be caused by a rise in the price of oil, or an increase in the price of coal in particular, could cause our costs of production of the Company's products to increase, which would adversely affect our results of operations and financial condition if the Company cannot pass these added costs on to customers.

85. Investors may have difficulty enforcing judgments against us or our management.

The enforcement by investors of civil liabilities, including the ability to effect service of process and to enforce judgments obtained in courts outside of India may be affected adversely by the fact that we are incorporated under the laws of the Republic of India and all of our executive officers and directors reside in India. Nearly all of our assets and the assets of our executive officers and directors are also located in India. As a result, it may be difficult to effect service of process upon us and any of these persons outside of India or to enforce outside of India, judgments obtained against us and these persons in courts outside of India.

Section 44A of the Indian Code of Civil Procedure, 1908, as amended, provides that where a foreign judgment has been rendered by a court in any country or territory outside India, which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. The United Kingdom has been declared by the Government to be a reciprocating territory for the purposes of Section 44A. However, the United States has not been declared by the Government to be a reciprocating territory for the purposes of Section 44A. A judgment of a court in the United States may be enforced in India only by a suit upon the judgment, subject to Section 13 of the Indian Code of Civil Procedure, 1908, and not by proceedings in execution.

The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. Generally, there are considerable delays in the disposal of suits by Indian courts. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under FEMA to repatriate any amount recovered.

86. Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our financial condition. Our Company's failure to successfully adopt IFRS could have a material adverse effect on its stock price.

Our Company's financial statements, including the restated consolidated financial statements provided in this Prospectus, are prepared in accordance with Indian GAAP. US GAAP and IFRS differ in significant respects from Indian GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited.

The Institute of Chartered Accountants of India, the accounting body that regulates the accounting firms in India, has announced a road map for the adoption of and convergence with the IFRS, pursuant to which all public companies in India, including us, will be required to prepare their annual and interim financial statements under IFRS beginning with the Fiscal period commencing April 1, 2011. Since there is significant lack of clarity on the adoption of and convergence with IFRS and there is not yet a significant body of established practice on which to draw in forming judgments regarding its implementation and application, the Company has not determined with any degree of certainty the impact that such adoption will have on its financial reporting. There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IFRS than under Indian GAAP. As the Company transitions to IFRS reporting, it may encounter difficulties in the ongoing process of implementing and enhancing its management information systems. Moreover, there is increasing competition for the small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements. There can be no assurance that the Company's adoption of IFRS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IFRS by April 1, 2011 could have a material adverse effect on the price of the Equity Shares.

Prominent Notes:

- Further Public Offer of 33,693,660 Equity Shares for cash at a price of Rs. [●] per Equity Share aggregating up to Rs. [●] million, by the Selling Shareholder. The Offer comprises a Net Offer and an Employee Reservation Portion. The Offer shall constitute 10% of the post-Offer paid-up Equity Share capital of our Company and the Net Offer shall constitute 9.78% of the post-Offer paid-up Equity Share capital of our Company.

- Since the price at which the Equity Shares were transferred on June 14, 1967, to the Promoter is not available, the average cost of acquisition per Equity Share by the Promoter cannot be computed.

- Except as disclosed in "Financial Statements – Annexure XVI" of our restated consolidated financial statements and restated standalone financial statements on pages F-23 and F-50, respectively, there have been no transactions between our Company and our Subsidiaries and Joint Ventures during the last year including the nature and cumulative value of the transactions.

- The net worth of the Company on a standalone basis and consolidated basis as at March 31, 2010 was Rs. 11,147.10 million and Rs. 11,542.20 million, respectively.

- The Net Asset Value per Equity Share as at March 31, 2010 was Rs. 33.02 as per our restated standalone financial statements and Rs. 34.20 as per our restated consolidated financial statements. For more information, see "Financial Statements" beginning on page F-1.

- There has been no financing arrangement whereby the Directors and/ or their relatives have financed the purchase by any other person of securities of the Company, other than in the normal course of business of the financing entity during the period of six months immediately preceding the date of filing of this RHP with the SEBI.

- Investors may contact the BRLMs who have submitted the due diligence certificate to the Board, for any complaint pertaining to the Offer. All grievances relating to ASBA process may be addressed to the Registrar to the Offer, with a copy to the relevant SCSBs, giving full details such as name, address of the applicants, number of Equity Shares applied for, Bid Amounts blocked, ASBA Account number and the Designated Branch of the SCSBs where the ASBA Form has been submitted by the ASBA Bidder.

SECTION III – INTRODUCTION

SUMMARY OF BUSINESS

We are an engineering consultancy company providing design, engineering, procurement, construction and integrated project management services, principally focused on the oil and gas and petrochemicals industries in India and internationally. We also operate in a diverse set of other sectors including non-ferrous mining and metallurgy and infrastructure. We are also a primary provider of engineering consultancy services for the GoI's energy security initiative under its Integrated Energy Policy for strategic crude storages.

Our services in these industries and sectors cover the entire spectrum of activities from concept to commissioning of a project. Our services include preparation of project feasibility reports, technology selection, project management, process design, basic and detailed engineering, procurement, inspection, project audit, supply chain management, cost engineering, planning and scheduling, facilitation of statutory and regulatory approvals for Indian projects, construction management, and commissioning. We also provide specialist services such as heat and mass transfer equipment design, environmental engineering services, specialist materials and maintenance services, energy conservation services, plant operation and safety services. We also execute projects on a turnkey basis.

We were incorporated in 1965 and have over the years developed a track record of working on landmark projects with various Indian and global energy majors. We have provided a range of engineering consultancy and project implementation services on more than 49 refinery projects, including eight greenfield refinery projects, seven petrochemical complexes, 35 oil and gas processing projects, 205 offshore platforms projects, 37 pipeline projects, 11 ports and storage and terminals projects, eight fertilizer projects and 26 mining and metallurgy projects. In the infrastructure space, we have provided a range of engineering consultancy services for more than 26 projects, including for airports, highways, flyovers, bridges, water and sewer management, as well as energy-efficient "intelligent" buildings. We have also completed 16 turnkey projects, including refinery and petrochemicals projects and offshore platforms.

Our business is aligned into two principal operating segments: the Consultancy and Engineering segment and the Lumpsum Turnkey Projects segment. Projects on which we provide engineering consultancy and project management and implementation services are included in the Consultancy and Engineering segment. Projects that we undertake on a turnkey basis are included in our Lumpsum Turnkey Projects segment.

We have leveraged our track record in India to successfully expand our operations internationally, and have provided a wide range of engineering consultancy services on various international projects, particularly in the Middle East, North Africa and South East Asia. We have established strategic international offices in Abu Dhabi, London, Milan and Shanghai to expand our international operations.

We are a technology driven organization and have developed or have the right to license advanced technologies, which we license to our clients in the oil and gas, and petrochemical industries. We have established a sophisticated research and development center in Gurgaon. We have developed 30 process technologies either on our own or in collaboration with our clients and reputed research institutions. Our portfolio includes various technologies for petroleum refining, oil and gas processing and aromatics. We currently hold ten patents and have 20 pending patent applications relating to various process technologies and hardware developed by us.

We have a qualified and professional employee base with over 3,300 permanent employees as of March 31, 2010, including more than 2,730 employees with technical and professional qualifications. Our engineering and technology capabilities have enabled us to develop a technology driven project implementation profile and successfully integrate sophisticated design, engineering and construction methodologies with project management practices.

Our quality management systems have been certified ISO 9001-2008 by the Indian Register Quality System (IRQS) for all the areas of EIL's services. We are committed to adhering to corporate HSE policies and safe working practices in the implementation of our projects. We have received several awards and certifications from various clients in relation to our projects. For example, we achieved 81.86 million man hours worked without any "lost time accident" for the Panipat Refinery Expansion Project and 75 million man hours worked without any "lost time accident" for the Panipat Naptha Cracker Project, as certified by our client IOCL. We are also a principal panelist for the development of various safety standards for the Oil Industry Safety Directorate under the MoPNG.

Our total income increased at a CAGR of 47.28% from Rs.6,876.5 million in the year ended March 31, 2007 to Rs.21,969.6 million in the year ended March 31, 2010, while our profit after taxation, as restated, increased at a CAGR of 47.31 % from Rs.1,390.0 million in the year ended March 31, 2007 to Rs.4,443.4 million in the year ended March 31, 2010.

Our Order Book, comprising anticipated revenues from the unexecuted portions of existing contracts (including signed contracts for which all pre-conditions to entry into force have been met and letters of acceptance issued by the client prior to execution of the final contract) as of March 31, 2010, was Rs.62,368.4 million.

Our Strengths

Leadership position across the value chain in the hydrocarbon industry in India

Operations in diverse industries and economies

Technology-driven integrated turnkey and total solutions consultancy services

Robust financial position with significant Order Book

Integrated project management capabilities with a focus on quality, HSE, cost efficiencies and timely implementation

Qualified and motivated employee base and proven management team

Our Business Strategy

Consolidate our leadership position in the hydrocarbon industry in India

Expand our international operations

Selectively diversify into other potential sectors

Continue to focus on technology and project implementation capabilities

Continue to develop and maintain strategic relationships

SUMMARY OF INDUSTRY

Overview of the Indian Economy

With a GDP of US$1.23 trillion, India is, according to the CIA Factbook, the world's fourth largest economy in Purchasing Power Parity (PPP) terms (the GDP in PPP terms is estimated at approximately US$3.2 trillion) and the fifth largest energy consumer in the world. India is now one of the fastest growing economies in the world. According to the Central Statistical Organization's India's GDP grew at a rate of 7.4% in fiscal 2010. However, due to India's high population of approximately 1.1 billion, the per-capita consumption of most energy related products is extremely low.

Overview of the Engineering and Construction Industry

Engineering and construction activity is integral to the energy industry, infrastructure, and industrial development and involves engineering construction services for pipelines, storage terminals and processing facilities, urban infrastructure, townships, highways, bridges, roads, railroads, ports, airports, and power systems. A significant part of the global engineering and construction activity is concentrated in the oil and gas industry, the power sector and the metals and mining sector and is dominated by a few industry majors.

Oil and Gas Industry

According to the International Energy Outlook, May 2009 ("IEA 2009") demand for liquid fuels and other petroleum products is projected to increase from 85.0 million barrels per day ("bbl/d") in 2006 to 106.6 million bbl/d in 2030, even if world oil prices remain above $100 per barrel (in real 2007 dollar terms) from 2013 until 2030. World liquids production in 2030 is projected to exceed the 2006 levels by 22 million bbl/d. Liquids are expected to remain the world’s dominant energy source between 2006 to 2030, given their importance in the transportation and industrial end-use sectors.

The Indian oil and gas industry increased in size in the 1960s and became increasingly dominated by state-owned entities and joint ventures between the GoI and private oil and gas companies. Beginning in the early 1990s, as India's reliance on oil imports rose, the GoI embarked on a series of reforms aimed at partially deregulating the oil and gas sector, with a goal of rationalising the industry, improving efficiency, reducing the cost of government subsidies and encouraging private sector investment. According to BP Statistics 2009, India's economic growth has led to the primary energy consumption growth at a CAGR of over 6.0% from 2004 to 2008. While overall primary energy consumption has increased, per capita consumption remains below that of more developed countries. Oil and gas are projected to account for approximately 30% and 25%, and 14% and 20% of the energy supply mix in India for the periods 2010-2011 and 2024-25, respectively. Additionally, India's refining capacity is projected to increase from 167 million metric tonnes ("MMT") during the period 2006-2007 to 184 MMT during the period 2011-2012 and 358 MMT during the period 2024-2025.

Indian Oil and Gas Infrastructure

The strong growth of the Indian economy and infrastructure, and the resulting increased demand in the energy industry has resulted in the need to develop an efficient distribution network for oil and natural gas transportation. The use of natural gas in the energy industry has been gaining significance in the Indian market with its share in the primary energy market projected to rise to 9% for fiscal 2009. The key growth drivers for the Indian gas market are gas pricing, infrastructure, regulation and end-use sector reforms. In response to GoI’s recent privatization initiatives, large oil and natural gas companies in India have commenced oil and natural gas exploration and transportation projects and some propose to establish dedicated distribution networks. Investment in oil and natural gas pipeline infrastructure in India is likely to be influenced by the GoI’s decision to permit oil retailing by the private sector. Many companies have planned to set up pan-India pipelines, to take advantage of the significant increase in supply volumes of gas expected between fiscal 2010 and 2023.

Mining and Metallurgy Sector

India has globally significant mineral resources: according to the Ministry of Mines 2008-09 Annual Report, India’s deposits of coal, bauxite and iron ore account for 10%, 4% and 3% of the world’s total resources, and its coal, bauxite, iron, barite, chromium, limestone and manganese deposits are among the 10 largest in the world by country. In terms of production, during 2009 India was among the leading producers in the world of mica, barite, chromium and talc, bauxite and coal, iron ore and kyanite, manganese ore and steel, zinc, and aluminum. Growing global demand for minerals and metals, particularly in Asia, together with the GoI's policy, are expected to result in new opportunities for Indian and foreign mining companies operating in India, which in turn is expected to lead to increased engineering construction activity in the Indian mining and metallurgy sector.

Indian Construction Industry

The Indian construction industry sector is witnessing high growth spurred by the large spends on ongoing infrastructure development projects. Indian engineering and construction companies have recorded high growth rates in recent years from significant activity in the power sector, transportation, petroleum and urban infrastructure. The GoI’s focus, sustained increased budgetary allocation and increased funding by international and multilateral development finance institutions for infrastructure development in India has resulted in or is expected to result in several large infrastructure projects in this region. The GoI is targeting an investment of US$20.38 billion over the next two years in the infrastructure sector. While infrastructure development is considered as one of the top priorities in India, the pace of growth in infrastructure has not been commensurate to the demands and it continues to pose a major bottleneck and a challenge for the country.

According to the Integrated Energy Policy, 2006, in order to deliver a sustained growth rate of 8% through 2031-2032, India needs to increase its electricity generation capacity by at least five to six times based on 2003-2004 levels. The power sector has been a key driver of GoI’s infrastructure push, accounting for a large share of infrastructure contracts awarded by GoI in the current calendar year. The Indian power sector has historically been beset by energy shortages which have been rising over the years. The Ministry of Power has set a goal - Mission 2012: "Power for All". The strategies to achieve the objectives would include focusing on power generation, transmission and distribution, regulation, financing, conservation and communication.

The CGD sector is another sector which has a high growth potential. Currently, only a handful of major players are present in the sector. World-wide, city gas distribution has grown hand in hand with the gas sector development in terms of supply infrastructure and transmission infrastructure. With the expected growth in the gas supply and the simultaneous creation of gas inter-state transmission infrastructure in India, this sector is bound to grow in the Eleventh Five Year Plan period (2007-2012). In line with this, various players have drawn up ambitious plans to roll out city gas infrastructure across a number of cities in India. The chairman of the PNGRB was quoted stating that natural gas would be available in 84 cities by 2011 and 250 cities by 2018.

Solar power is one of the fastest-growing sources of renewable energy worldwide. Many nations, concerned about the environmental impacts of electricity generation from fossil fuels or from large-scale hydroelectric plants, have been turning to solar power as an environmentally benign alternative. According to the Integrated Energy Policy, 2006, solar energy has a large potential in India.

Atomic energy is an important source of electric power due to its environmental advantages and also considered to be an economical source of power in the long term. It is expected that the execution of nuclear projects will be liberalized to allow participation by PSUs and private sector participants.

Other Relevant Markets

Most of the major projects in the Middle East hydrocarbons segment are backed by national oil companies, and are strategic to the growth of the respective economies. Regional oil and gas analysts believe national oil companies will continue to invest in the downturn; firstly to meet their long-term domestic objectives and establish the necessary infrastructure to monetize their significant resource base and, hence fund development, and once credit conditions begin to ease, initial projects such as Middle East oil and gas projects are likely to receive funding due to their proven and tangible assets.

Between 2006-2030, Central and South America's real GDP change is projected to be 3.7% per year. In Central and South America, natural gas is the fastest- growing energy source, with demand projected to increase from 4.5 Tcf in 2006 to a projected 8.1 Tcf in 2030. For Brazil, the region’s largest economy, natural gas consumption is projected to more than double—from 0.7 Tcf in 2006 to a projected 1.8 Tcf in 2030. Several countries in the region are particularly intent on increasing the penetration of natural gas for power generation, in order to diversify electricity fuel mixes that currently are heavily reliant on hydropower (and thus vulnerable to drought) and reduce the use of more expensive oil-fired generation often used to supplement electricity supply. *(Source: IEA 2009)*

The key regions in South East Asia, including Singapore, Malaysia and Indonesia are likely to witness a sharp slowdown, due to the combined effect of a sharp export slowdown and large negative wealth effect. Private sector investment is likely to continue to remain weak, due to inventory stockpiling and a slowdown in capital goods production.

Between 2006 and 2030, Africa's average real GDP change is projected to be 4.0% per year between 2006 and 2030. Further, energy consumption in Africa is projected to grow by 50.0% between 2006 to 2030. Natural gas consumption is projected to grow by 3.2% between 2006 and 2030. There is very little infrastructure on the continent for intra-regional trade of natural gas, and Algeria, Nigeria, Egypt, and Libya—the major African producers—also are the major consumers. These four countries together with South Africa and Tunisia, accounted for 94.0% of Africa’s natural gas consumption in 2006. *(Source: IEA 2009)*

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our restated consolidated financial statements as of and for the years ended March 31, 2006, 2007, 2008, 2009 and 2010, and our restated standalone financial statements as of and for the years ended March 31, 2006, 2007, 2008, 2009 and 2010. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI ICDR Regulations and are presented in "Financial Statements" beginning on page F-1. The summary financial information presented in the following pages should be read in conjunction with our restated financial statements, the notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 161.

Restated Consolidated Statement of Assets and Liabilities

(In Rs. Million)

PARTICULARS	AS AT 31 MARCH				
	2010	2009	2008	2007	2006
1. GOODWILL ON CONSOLIDATION	**0.59**	**0.59**	**-**	**-**	**-**
2. FIXED ASSETS :					
i) Gross block	1,864.33	1,710.68	1,617.60	1,451.35	1,380.10
Less : Accumulated depreciation	1,230.77	1,128.28	1,116.55	1,066.82	991.42
Net block	**633.56**	**582.40**	**501.05**	**384.53**	**388.68**
ii) Capital work-in-progress	118.46	85.30	48.31	66.62	42.44
Net Block (Including Capital work in progress)	**752.02**	**667.70**	**549.36**	**451.15**	**431.12**
3. INVESTMENTS	**974.89**	**1,514.89**	**1,465.78**	**1,371.29**	**1,380.50**
4. DEFERRED TAX ASSETS (NET)	**1,419.16**	**1,187.65**	**970.85**	**855.86**	**566.11**
5. CURRENT ASSETS, LOANS AND ADVANCES :					
a) Inventories	9.72	8.47	8.39	8.52	8.29
b) Work-in-progress	422.25	325.41	311.27	152.09	142.41
c) Sundry debtors	3,258.75	3,082.05	1,863.38	2,053.93	2,479.11
d) Cash and bank balances	17,944.82	19,214.65	12,702.88	9,600.45	7,668.66
e) Other current assets	2,137.26	2,057.33	1,815.30	1,584.05	1,955.12
f) Loans and advances	1,853.64	2,156.48	1,784.38	1,146.32	1,346.22
Total	**25,626.44**	**26,844.39**	**18,485.60**	**14,545.36**	**13,599.81**
6. CURRENT LIABILITIES AND PROVISIONS :					
a) Current Liabilities	14,036.51	12,961.72	8,009.48	5,232.75	3,747.01
b) Provisions	3,194.42	3,189.55	1,677.88	1,457.45	2,529.27
Total	**17,230.93**	**16,151.27**	**9,687.36**	**6,690.20**	**6,276.28**
NET ASSETS (1+2+3+4+5-6)	**11,542.17**	**14,063.95**	**11,784.23**	**10,533.46**	**9,701.26**
7. EQUITY SHARE CAPITAL	**561.56**	**561.56**	**561.56**	**561.56**	**561.56**
8. RESERVES AND SURPLUS	**10,980.61**	**13,504.26**	**11,226.67**	**9,978.79**	**9,209.88**
9. MISC. EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF)	**-**	**1.87**	**4.00**	**6.89**	**70.18**
NET WORTH (7+8-9)	**11,542.17**	**14,063.95**	**11,784.23**	**10,533.46**	**9,701.26**

Restated Consolidated Statement of Profit and Loss

(In Rs. Million)

PARTICULARS	FOR YEAR ENDED 31, MARCH				
	2010	**2009**	**2008**	**2007**	**2006**
INCOME					
- Consultancy & engineering	10,755.21	8,441.51	6,372.02	4,992.76	4,393.46
- Lumpsum Turnkey Projects	9,384.66	7,079.09	1,163.12	823.28	3,648.68
Other Income	1,829.70	2,215.47	1,341.20	1,060.43	719.33
TOTAL	**21,969.57**	**17,736.07**	**8,876.34**	**6,876.47**	**8,761.47**
EXPENDITURE					
Technical Assistance/Sub-Contracts	3,021.20	1,911.76	562.07	410.74	2,302.26
Construction Materials & Equipments	5,558.26	4,954.74	368.22	326.24	856.72
Salaries and Benefits	4,911.66	3,902.89	3,351.23	2,518.31	2,075.85
Facilities	301.68	276.24	228.40	303.77	297.80
Corporate Costs	207.99	207.84	90.49	101.68	146.00
Others	1,127.99	1,053.98	1,138.58	1,051.43	680.39
Depreciation & Fixed Assets Written Off	131.71	109.46	105.55	83.26	95.39
TOTAL	**15,260.49**	**12,416.91**	**5,844.54**	**4,795.43**	**6,454.41**
Profit For The Year	**6,709.08**	**5,319.16**	**3,031.80**	**2,081.04**	**2,307.06**
Less: Provision for Taxation					
Current Year					
Current Tax	2,497.15	2,010.58	1,114.97	951.81	851.65
Fringe Benefit Tax	-	30.20	28.91	28.96	27.03
Deferred Tax	(231.51)	(216.79)	(104.72)	(289.76)	(114.47)
Total Provision For Taxation	**2,265.64**	**1,823.99**	**1,039.16**	**691.01**	**764.21**
Profit After Tax	**4,443.44**	**3,495.17**	**1,992.64**	**1,390.03**	**1,542.85**
Transferred from General Reserve	5,615.61	-	-	-	-
Total Available for Appropriation	**10,059.05**	**3,495.17**	**1,992.64**	**1,390.03**	**1,542.85**
APPROPRIATIONS					
Dividend					
- Interim	5,952.54	252.70	224.62	196.55	168.47
- Proposed	-	786.19	393.09	336.94	280.78
Total Dividend	**5,952.54**	**1,038.89**	**617.71**	**533.49**	**449.25**
Corporate Tax on Dividend					
- Interim	1,011.64	45.07	40.30	30.37	25.04
- Proposed	2.91	133.62	66.80	57.26	40.79
Total Tax on Dividend	**1,014.55**	**178.69**	**107.10**	**87.63**	**65.83**
Balance transferred to General Reserve	**3,091.96**	**2,277.59**	**1,267.83**	**768.91**	**1,027.77**

Restated Standalone Statement of Assets and Liabilities

(In Rs. Million)

PARTICULARS	AS AT 31 MARCH				
	2010	**2009**	**2008**	**2007**	**2006**
1. FIXED ASSETS :					
i) Gross block	1,824.12	1,670.66	1,581.30	1,447.14	1,376.37
Less : Accumulated depreciation	1,223.64	1,123.08	1,113.20	1,064.43	989.73
Net block	600.48	547.58	468.10	382.71	386.64
ii) Capital work-in-progress	118.46	85.23	48.31	66.62	42.44
Net Block (Including Capital Work in Progress)	**718.94**	**632.81**	**516.41**	**449.33**	**429.08**
2. INVESTMENTS	**1,007.26**	**1,536.96**	**1,468.08**	**1,373.60**	**1,382.81**
3. DEFERRED TAX ASSETS (NET)	**1,415.20**	**1,185.83**	**969.28**	**854.22**	**565.07**
4. CURRENT ASSETS, LOANS AND ADVANCES :					
a) Inventories	9.72	8.47	8.39	8.52	8.29
b) Work-in-progress	422.16	325.21	310.89	152.03	142.36
c) Sundry debtors	3,167.42	2,992.84	1,765.47	1,990.47	2,401.18
d) Cash and bank balances	17,639.69	18,941.62	12,525.80	9,414.22	7,498.29
e) Other current assets	2,109.52	2,040.94	1,803.76	1,576.29	1,951.58
f) Loans and advances	1,845.25	2,151.88	1,773.88	1,130.28	1,349.97
Total	**25,193.76**	**26,460.96**	**18,188.19**	**14,271.81**	**13,351.67**
5. CURRENT LIABILITIES AND PROVISIONS :					
a) Current Liabilities	14,004.08	12,923.60	7,973.44	5,220.58	3,743.71
b) Provisions	3,184.02	3,179.35	1,671.91	1,454.28	2,525.18
Total	**17,188.10**	**16,102.95**	**9,645.35**	**6,674.86**	**6,268.89**
NET ASSETS (1+2+3+4-5)	**11,147.06**	**13,713.61**	**11,496.61**	**10,274.10**	**9,459.74**
6. EQUITY SHARE CAPITAL	**561.56**	**561.56**	**561.56**	**561.56**	**561.56**
7. RESERVES AND SURPLUS	**10,585.50**	**13,153.92**	**10,939.05**	**9,719.43**	**8,968.36**
8. MISC. EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF)	**-**	**1.87**	**4.00**	**6.89**	**70.18**
NET WORTH (6+7-8)	**11,147.06**	**13,713.61**	**11,496.61**	**10,274.10**	**9,459.74**

Restated Standalone Statement of Profit and Loss

(In Rs. Million)

PARTICULARS	FOR THE YEAR ENDED 31 MARCH				
	2010	**2009**	**2008**	**2007**	**2006**
INCOME					
- Consultancy & engineering	10,553.31	8,237.47	6,214.40	4,875.57	4,260.22
- Lumpsum Turnkey Projects	9,384.66	7,079.09	1,163.12	823.28	3,648.68
Other Income	1,836.71	2,215.39	1,355.74	1,078.51	731.48
TOTAL	**21,774.68**	**17,531.95**	**8,733.26**	**6,777.36**	**8,640.38**
EXPENDITURE					
Technical Assistance/Sub-Contracts	3,002.47	1,890.86	552.16	402.15	2,289.97
Construction Materials & Equipments	5,560.99	4,962.41	368.16	326.17	865.33
Salaries and Benefits	4,869.01	3,869.25	3,322.22	2,502.54	2,058.67
Facilities	296.96	272.28	226.89	302.68	295.81
Corporate Costs	205.94	208.13	89.62	101.56	145.02
Others	1,096.77	1,023.88	1,106.85	1,028.04	662.20
Depreciation & Fixed Assets Written Off	129.77	107.62	104.60	82.56	94.72
TOTAL	**15,161.91**	**12,334.43**	**5,770.50**	**4,745.70**	**6,411.72**
Profit For The Year	**6,612.77**	**5,197.52**	**2,962.76**	**2,031.66**	**2,228.66**
Less: Provision for Taxation					
Current Year					
Current Tax	2,448.50	1,958.05	1,080.39	923.93	817.48
Fringe Benefit Tax	-	28.67	27.02	27.50	25.50
Deferred Tax	-229.36	-216.54	-104.79	-289.16	-114.21
Total Provision For Taxation	**2,219.14**	**1,770.18**	**1,002.62**	**662.27**	**728.77**
Profit After Tax	**4,393.63**	**3,427.34**	**1,960.14**	**1,369.39**	**1,499.89**
Transferred from General Reserve	5,615.61	-	-	-	-
Total Available for Appropriation	**10,009.24**	**3,427.34**	**1,960.14**	**1,369.39**	**1,499.89**
APPROPRIATIONS					
Dividend					
- Interim	5,952.54	252.70	224.62	196.55	168.47
- Proposed	-	786.19	393.09	336.94	280.78
Total Dividend	**5,952.54**	**1,038.89**	**617.71**	**533.49**	**449.25**
Corporate Tax on Dividend					
- Interim	1,009.51	42.95	38.18	27.57	23.63
- Proposed	-	130.63	64.68	57.26	39.37
Total Tax on Dividend	**1,009.51**	**173.58**	**102.86**	**84.83**	**63.00**
Balance transferred to General Reserve	**3,047.19**	**2,214.87**	**1,239.57**	**751.07**	**987.64**

THE OFFER

Further Public Offer[1]	33,693,660 Equity Shares aggregating up Rs. [●] million
Of which	
Employee Reservation Portion[2] [4]	712,000 Equity Shares
Therefore,	
Net Offer to the Public	32,981,660 Equity Shares**
Of which	
QIB Portion [2] [3]	Up to 16,490,830 Equity Shares**
Of which:	
Mutual Fund Portion	824,542 Equity Shares**
Balance for all QIBs including Mutual Funds	15,666,288 Equity Shares**
Non-Institutional Portion[2]	Not less than 4,947,249 Equity Shares**
Retail Portion[2] [4]	Not less than 11,543,581 Equity Shares**
Equity Shares outstanding prior to the Offer	336,936,600 Equity Shares
Equity Shares outstanding after the Offer	336,936,600 Equity Shares
Use of Offer proceeds	See the section "Objects of the Offer" on page 72. Our Company will not receive any proceeds of the Offer for Sale.

** In the event of over-subscription, allocation shall be made on a proportionate basis subject to valid Bids being received at or above the Offer Price.

(1) The Selling Shareholder is offering 33,693,660 Equity Shares which have been held by it for a period of at least one year as on the date of filing of this Red Herring Prospectus. The MoPNG, through its letter no. G-38011/42/2009-Fin.I dated June 10, 2010 conveyed its approval for the Offer.

(2) Under-subscription, if any, in any category, excluding Employee Reservation Portion would be allowed to be met with spill-over from other categories or a combination of categories, at the sole discretion of our Company and the Selling Shareholder, in consultation with Book Running Lead Managers. Under-subscription, if any, in the Employee Reservation Portion shall be added back to the Net Offer.

(3) Allocation to QIBs is proportionate as per the terms of this Red Herring Prospectus. 5% of the QIB Portion, that is 824,542 Equity Shares shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% reservation in the QIB Portion, that is 824,542 Equity Shares, will also be eligible for allocation in the remaining QIB Portion. Under-subscription below 5% of the Mutual Fund Portion, that is 824,542 Equity Shares, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

(4) The Company and the Selling Shareholder in consultation with the Book Running Lead Managers may offer a discount of Rs. [●] to the Retail Individual Investors and the Employees bidding under the Employee Reservation category.

GENERAL INFORMATION

Our Company was originally incorporated in New Delhi on March 15, 1965 under the Companies Act as a private limited company under the name 'Engineers India Private Limited' pursuant to a formation agreement dated November 20, 1964 and in accordance with a memorandum of agreement dated June 27, 1964 both between the Government of India and Bechtel International Corporation ("**BIC**"). These agreements were terminated subsequently by mutual consent in 1967 and our Company was released and discharged from all obligations under the same. For further details see the section "History and Corporate Structure – Brief Corporate History of our Company" on page 133.

Further, pursuant to a special resolution passed by the shareholders of our Company at an EGM held on October 30, 1996, our Company was converted to a public limited company.

Registered Office and Corporate Office

Our Registered Office, as well as Corporate Office, is situated at Engineers India Bhawan, 1, Bhikaiji Cama Place, New Delhi 110 066, India. For details of changes in our Registered Office, see the section "History and Corporate Structure – Changes in the Registered Office" on page 133.

Corporate Identity Number: L74899DL1965GOI004352

Registration Number: 004352

Address of the RoC

Our Company is registered at the Registrar of Companies of NCT of Delhi & Haryana located at Paryavaran Bhavan, CGO Compex, Lodhi Road, New Delhi 110 003, India.

Our Board of Directors

Name and Designation	Executive/Non-Executive	Age	Address
Mr. Ashok Kumar Purwaha *Chairman and Managing Director*	Executive	55	B-5, Ranjit Singh Block, Asian Games Village, New Delhi 110 049, India.
Mr. Laxmi Narayan Gupta *Government Nominee Director*	Non-Executive	50	D-1/44, Rabindra Nagar, New Delhi 110 003, India.
Mr. Udaykrishna Nityanand Bose *Independent Director*	Non-Executive	57	R-4, Nehru Enclave, New Delhi 110 019, India.
Mr. Basavaraj Ningappa Bankapur *Indepenent Director*	Non-Executive	58	House No. B-838, Asiad Village Complex, New Delhi 110 049, India.
Dr. Avinash Chandra *Independent Director*	Non-Executive	66	B-102, Sector 26, Noida 201 301, Uttar Pradesh, India.
Mr. Arun Kumar Purwar *Independent Director*	Non-Executive	64	Flat No. 2303, C-Tower, Ashok Tower, Dr. S.S. Rao Road, Parel, Mumbai 400 012, Maharashtra, India
Mr. Manoj Kumar Joshi *Director(Technical)*	Executive	59	27, Golden Jubilee Apartments, Sector 11 Extension, Pocket 10, Rohini, New Delhi 110 085, India.
Mr. Rakesh Kumar Grover *Director (Projects)*	Executive	59	3111, Sector 'C', Pocket- 3, Vasant Kunj, New Delhi 110 070, India.
Mr. Ram Singh *Director (Finance)*	Executive	53	B-251, Malwa Singh Block, Asian Games Village, New Delhi 110 049, India.
Mr. Pradeep Kumar Rastogi *Director (Personnel)*	Executive	57	Durga Deep, A-200, Shivalik, Malviya Nagar, New Delhi 110 017, India.
Mr. Adit Jain	Non-Executive	49	F-03, Radha Mohan Drive, Gadalpur Bandh Road Chattarpur, Mehrauli New Delhi 110 074, India.
Dr. (Prof.) Krishna Prasad Deo	Non-Executive	63	69, New Campus, Indian Institute of

Name and Designation	Executive/Non-Executive	Age	Address
Nigam			Technology Delhi, Hauz Khas, New Delhi 110 016, India.

For further details and profiles of our Directors, see the section "Our Management" on page 139.

Company Secretary and Compliance Officer

Our Company has appointed Dr. R. Soundararajan, the Company Secretary as the Compliance Officer. His contact details are as follows:

Dr. R. Soundararajan
Engineers India Bhawan
1, Bhikaji Cama Place
New Delhi 110 066, India
Telephone: + 91 11 2610 0258/ 2676 2188
Facsimile: +91 11 2619 1690
Email: rs.rajan@eil.co.in /company.secretary@eil.co.in

Investors can contact the Compliance Officer, the Registrar to the Offer or the Book Running Lead Managers in case of any pre- Offer or post- Offer related problems/redressal of complaints such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary account or refund orders.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for Bid Amount blocked, ASBA Account number and the Designated Branch of the SCSB where the ASBA Form was submitted by the ASBA Bidders.

For all Offer related queries and for redressal of complaints, investors may also write to the Book Running Lead Managers. All complaints, queries or comments received by SEBI shall be forwarded to the Book Running Lead Managers, who shall respond to the same.

Book Running Lead Managers

ICICI Securities Limited ICICI Centre H.T. Parekh Marg Churchgate Mumbai 400 020 Maharashtra, India Telephone: + 91 22 2288 2460 Facsimile: + 91 22 2282 6580 E-mail: eil.fpo@icicisecurities.com Investor Grievance Email: customercare@icicisecurities.com Website:www.icicisecurities.com Contact Person: Mr. Sumit Agarwal / Mr. Gaurav Gupta SEBI Registration No.: INM000011179	**IDFC Capital Limited** Naman Chambers, C-32, G Block, Bandra Kurla Complex Bandra (E), Mumbai 400 051 Maharashtra India Telephone: +91 22 6622 2600 Facsimile: +91 22 6622 2501 E-mail: eil.fpo@idfc.com Investor Grievance Email: complaints@idfc.com Website: www.idfccapital.com Contact Person: Mr. Hiren Raipancholia SEBI Registration No.: INM000011336

SBI Capital Markets Limited	HSBC Securities and Capital Markets (India) Pvt. Ltd.
202, Maker Tower 'E' Cuffe Parade Mumbai 400 005 Maharashtra, India Telephone: +91 22 2217 8300 Facsimile: +91 22 2218 8332 E-mail: eil.fpo@sbicaps.com Investor Grievance Email: investor.relations@sbicaps.com Website: www.sbicaps.com Contact Person: Ms. Kavita Tanwani SEBI registration number: INM000003531	HSBC Building, 52/ 60 M.G. Road, Fort, Mumbai 400 001 Maharashtra, India Telephone: +91 22 2268 5555 Facsimile: +91 22 2263 1984 E-mail: projectaarohan@hsbc.co.in Investor Grievance Email: investorgrievance@hsbc.co.in Website: http://www.hsbc.co.in/1/2/corporate/equities-global-investment-banking Contact Person: Mr.Prashanth Chandran SEBI registration No.: INM000010353

Syndicate Members

Sharekhan Ltd
A-206, Phoenix Mills Compound
S.B. Marg Lower Parel,
Mumbai 400 013, Maharashtra, India
Telephone: +91 22 6748 2000
Facsimile: +91 22 2498 2626
E-Mail: pankajp@sharekhan.com
Website: www.sharekhan.com
Contact Person: Ms. Archana Dedhia
SEBI Registration No.: BSE INF011073351, NSE INB231073330

SBICAP Securities Limited
191, Maker Tower F, Cuffe Parade
Mumbai 400 005, Maharashtra, India
Telephone: +91 22 3047 8591
Facsimile: +91 22 3046 8670
E-Mail: archana.dedhia@sbicapsec.com
Website: www.sbicapsec.com
Contact Person: Ms. Archana Dedhia
SEBI Registration No.: BSE INB01105303, NSE INB231052938

Legal Counsels

Domestic Legal Counsel to the Offer

Luthra & Luthra Law Offices
103, Ashoka Estate
24, Barakhamba Road
New Delhi 110 001, India
Telephone: +91 11 4121 5100
Facsimile: +91 11 2372 3909
E-mail: delhiluthra@luthra.com

International Legal Counsel to the Offer

DLA Piper Singapore Pte. Ltd.
80 Raffles Place, no. 48-01
UOB Plaza 1, Singapore 048 624
Telephone: +65 6512 9595
Facsimile: +65 6512 9500

Registrar to the Offer

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West)
Mumbai 400 078
Maharashtra, India
Telephone: +91 22 2596 0320
Facsimile: +91 22 2596 0329
E-mail: vishwas.attavar@linkintime.co.in
Investor Grievance ID: eil.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Mr. Vishwas Attavar
SEBI Registration No.: INR000004058

Bankers to the Offer/ Escrow Collection Banks

ICICI Bank Capital Market Division, 30 Mumbai Samachar Marg, Fort Mumbai 400 001, Maharashtra, India Telephone: +91 22 6631 0311/ 6631 0310 Facsimile: +91 22 2261 1138/ 6631 0350 E-mail: Siddhartha.routray@icicibank.com Contact Person: Mr. Siddhartha Routray Website: www.icicibank.com SEBI Registration No: INBI00000004	**Kotak Mahindra Bank Limited** 5th Floor, Dani Corporation Park, 158 CST Road, Santacruz (E) Mumbai 400 098, Maharashtra, India Telephone: +91 22 6759 5336/ 6605 6631 Facsimile: +91 22 6759 5374 E-mail: amit.kr@kotak.com Contact Person: Mr. Amit Kumar Website: www.kotak.com SEBI Registration No: INBI00000927
State Bank of India Capital Market Branch Videocon Heritage, Ground Floor Charanjit Rai Marg Mumbai 400 001, Maharashtra, India Telephone: +91 022 2209 4925 Facsimile: +91 022 2209 4921/ 2209 4922 E-mail: nib.11777@sbi.co.in, Contact Person: Ms. Surekha Shinde Website: www.statebankofindia.com SEBI Registration No: INBI00000038	**IDBI Bank Limited** Unit No. 2, Corporate Park, Sion Trombay Road Chembur, Mumbai 400 071, Maharashtra, India Telephone: +91 022 6690 8402 Facsimile: +91 022 2528 6173 E-mail: mn.kamat@idbi.co.in Contact Person: Mr. M.N. Kamat Website: www.idbibank.com SEBI Registration No: INBI00000076
UCO Bank 10, B.T.M. Sarani Treasury & International Dept.(6th floor) Kolkata 700 001, West Bengal, India Telephone: +91 33 2225 4282 Facsimile: +91 33 2225 4538 E-mail: hombd.calcutta@ucobank.co.in/ hotims.calcutta@ucobank.co.in Contact Person: Mr. N. Jagadeesh Website: www.ucobank.com SEBI Registration No: INBI00000055	**HDFC Bank Limited** FIG-OPS Department Lodha-1 Think Techno Campus, O-3 Level Next to Kanjumarg Railway Station, Kanjumarg (East) Mumbai 400 042, Maharashtra, India Telephone: +91 22 3075 2928/ 09324 272185 Facsimile: +91 22 2579 9801 E-mail: deepak.rane@hdfcbank.com Contact Person: Mr. Deepak Rane Website: www.hdfcbank.com SEBI Registration No: INBI00000063
Punjab National Bank Capital Market Services Branch, 5 Sansad Marg, New Delhi 110 001, India Telephone: +91 11 2373 7531/ 2373 7533 Facsimile: +91 11 2373 7528 E-mail: bo4552@pnb.co.in Contact Person: Mr. S.K. Sachdeva/ Mr. B.B. Aggarwal Website: www.pnbindia.com SEBI Registration No: INB100000084	**Union Bank of India** Union Bank Bhavan, 239 Vidhan Bhavan Marg, Nariman Point Mumbai 400 021, Maharashtra, India Telephone: +91 11 2341 4229/ 2341 3685/ 2341 3687 Facsimile: +91 11 2341 3686 E-mail: hkbehra@unionbankofindia.com Contact Person: Mr. H.L. Behera Website: www.unionbankofindia.co.in SEBI Registration No: INBI00000006

Self Certified Syndicate Banks

The list of banks who have been notified by SEBI to act as SCSBs are provided at http://www.sebi.gov.in For details on Designated Branches of SCSBs collecting the ASBA Form, please refer the above mentioned SEBI link.

Auditors
Jagdish Chand & Co
H- 20 Green Park (Main)
New Delhi 110 016, India
Telephone +91 11 26511953/ 2653 3626
Facsimile: +91 11 2651 1953/ 2653 3626
Email: mail@jcandco.org

Bankers to our Company

Vijaya Bank UG-27-36, Ansal Chambers-II 6 Afirca Avenue, B.C. Place New Delhi 110 066, India Telephone: +91 11 2617 0698/ 2617 6973 Facsimile: + 91 11 2619 4796 E-mail: del.bhikajicamaplace6020@vijayabank.co.in Contact Person: Mr. C. Satish Ballal	**State Bank of India** Corporate Accounts Group Branch AMT-4,11th&12th Floor Jawahar Vyapar Bhavan 1, Tolstoy Marg New Delhi 110 001, India Telephone: + 91 11 2370 1007 Facsimile: + 91 11 2335 3101 E-mail: manaw.prasad@sbi.co.in Contact Person: Mr. Manaw Prasad
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Statement of Responsibilities of the Book Running Lead Managers

The following table sets forth the *inter se* allocation of responsibilities for various activities among the BRLMs:

S. No.	Activity	Responsibility	Co-ordination
1.	Capital structuring with relative components and formalities such as type of instruments., etc.	I-Sec, SBI Caps, IDFC and HSBC	I-Sec
2.	Due-diligence of our Company including its operations/management/business plans/legal, etc. Drafting and design of the Draft Red Herring Prospectus, this Red Herring Prospectus including memorandum containing salient features of the Prospectus. The Book Running Lead Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI, including finalisation of Prospectus and the RoC filing	I-Sec, SBI Caps, IDFC and HSBC	I-Sec
3.	Drafting and approving all statutory and non-statutory and corporate advertisements	I-Sec, SBI Caps, IDFC and HSBC	IDFC
4.	Preparation and finalization of the road-show presentation and frequently asked questions for the road-show team	I-Sec, SBI Caps, IDFC and HSBC	HSBC
5.	Appointment of intermediaries, *viz.*, i. Printer(s) ii. Registrar iii. Advertising agency and iv. Bankers to the Issue	I-Sec, SBI Caps, IDFC and HSBC	i. Printer(s) – HSBC ii. Registrar – SBI Caps iii. Advertising Agency – IDFC iv. Bankers to the Issue – SBI Caps
6.	Non-institutional and retail marketing of the Issue, which will cover, *inter alia*, ▪ Formulating marketing strategies, preparation of publicity budget ▪ Finalizing media and public relations strategy ▪ Finalizing centers for holding conferences for brokers, etc. ▪ Follow-up on distribution of publicity and Issuer material including application form, prospectus and deciding on the quantum of the Issue material ▪ Finalizing collection centres	I-Sec, SBI Caps, IDFC and HSBC	HSBC
7.	International Institutional marketing International Institutional marketing of the Issue, which will cover, *inter alia*, Institutional marketing strategy Finalizing the list and division of investors for one to one meetings, and Finalizing road show schedule and investor meeting schedules	I-Sec, SBI Caps, IDFC and HSBC	HSBC
8.	Domestic Institutional marketing Domestic Institutional marketing of the Issue Finalizing the list and division of investors for one to one meetings	I-Sec, SBI Caps, IDFC and HSBC	IDFC
9.	Co-ordination with Stock Exchanges for Book Building Process software, bidding terminals and mock trading	I-Sec, SBI Caps, IDFC and HSBC	HSBC

10.	Managing the book and finalisation of pricing in consultation with the Company	I-Sec, SBI Caps, IDFC and HSBC	HSBC
11.	Post bidding activities including management of escrow accounts, co-ordination of allocation, finalization of basis of allotment / weeding out of multiple applications, intimation of allocation and dispatch of refunds to bidders, dealing with the various agencies connected with the work such as registrars to the issue, bankers to the issue, Self Certified Syndicate Banks and the bank handling refund business etc. The designated coordinating Book Running Lead Manager shall be responsible for ensuring that the intermediaries fulfil their functions and enable him to discharge this responsibility through suitable agreements with our Company.	I-Sec, SBI Caps, IDFC and HSBC	SBI Caps

Credit Rating

As the Offer is of Equity Shares, credit rating is not required.

Trustees

As the Offer is of Equity Shares, the appointment of trustees is not required.

IPO Grading

As this is not an initial public offer of our Company’s Equity Shares, grading of this Offer is not required.

Monitoring Agency

As this is an offer for sale, there is no requirement for appointing a monitoring agency.

Expert

Except for the Report of the Auditors on the audited financial information, included in this Red Herring Prospectus, our Company has not obtained any expert opinion.

Project Appraisal

The object of the Offer is to carry out the divestment of 33,693,660 Equity Shares by the Selling Shareholder. Accordingly, no project appraisal is required.

Book Building Process

“Book building” refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the ASBA Forms. The Offer Price shall be determined by our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, after the Offer Closing Date. The principal parties involved in the Book Building Process are:

(1) our Company;
(2) Selling Shareholder;
(3) Book Running Lead Managers;
(4) Syndicate Members who are intermediaries registered with SEBI or registered as brokers with the Stock Exchanges and eligible to act as underwriters;
(5) Registrar to the Offer;
(6) Escrow Collection Banks; and
(7) SCSBs.

This Offer is made through the Book Building Process wherein up to 50% of the Net Offer, that is up to 16,490,830 Equity Shares shall be available for allocation to QIBs. 5% of the QIB Portion, that is 824,542 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Offer Price. In the event that the demand from Mutual Funds is greater than 824,542 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the QIB Portion and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above Offer Price.

Further, not less than 15% of the Net Offer, that is not less than 4,947,249 Equity Shares shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer, that is not less than 11,543,581 Equity Shares shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Offer Price. Undersubscription in any category, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Company and the Selling Shareholder in consultation with the BRLMs. Further, 712,000 Equity Shares are reserved from the Offer for allocation on a proportionate basis to Eligible Employees under the Employee Reservation Portion, subject to valid bids being received at or above the Offer Price. Under sub-subscription, if any, in the Employee Reservation Portion shall be added back to the Net Offer.

Our Company and the Selling Shareholder will comply with the SEBI Regulations and any other ancillary directions issued by SEBI for this Offer. In this regard, our Company and the Selling Shareholder have appointed the Book Running Lead Managers to manage this Offer and procure subscriptions to this Offer.

Investors are advised to make their own judgment about an investment through this process prior to submitting a Bid.

Illustration of Book Building Process and the Price Discovery Process

(Investors should note that the following is solely for the purpose of illustration and is not specific to this Offer and excludes information pertaining to Bidding under the ASBA process.)

Bidders including ASBA Bidders can bid at any price within the Price Band. A graphical representation of the consolidated demand and price would be made available at the Bidding Centres during the bidding period. For instance, assuming a price band of Rs. 20 to Rs. 24 per share, an offer size of 3,000 equity shares and receipt of five bids from bidders, the details are shown in the table below. The illustrative book as shown below indicates the demand for the shares of the issuer company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., Rs. 22 in the above example. The issuer and the selling shareholder, in consultation with book running lead managers, will finalise the offer price at or below such cut-off, i.e., at or below Rs. 22. All bids at or above this offer price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for making a Bid or application in this Offer:

- Check eligibility for making a Bid. For further details, see the section "Offer Procedure" on page 225.

- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form or the ASBA Form, as the case may be;
- Ensure that the Bid cum Application Form or ASBA Form is duly completed as per the instructions given in this Red Herring Prospectus and in the respective forms; and
- Ensure that you have mentioned your PAN in the Bid cum Application Form or ASBA Form (see the section "Offer Procedure" on page 225).
- Ensure the correctness of your Demographic Details (as defined in the section titled "Offer Procedure – Bidder's PAN, Depository Account and Bank Account Details" on page 240), given in the Bid cum Application Form or ASBA Form, with the details recorded with your Depository Participant.
- Bids by ASBA Bidders will only have to be submitted to the SCSBs at the Designated Branches. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that their ASBA is not rejected.

Withdrawal of the Offer

The Selling Shareholder, in consultation with the BRLMs, reserves the right not to proceed with the Offer anytime after the Offer Opening Date but before the Allotment of Equity Shares. In such an event, a public notice would be issued in the newspapers, in which the pre-Offer advertisements were published, within two days of the Offer Closing Date, providing reasons for not proceeding with the Offer. The Stock Exchanges shall also be promptly informed of the same. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day from the day of receipt of such notification.

In the event the Selling Shareholder in consultation with the BRLMs withdraws the Offer after the Offer Closing Date, a fresh offer document will be filed with the RoC/SEBI in the event, our Company subsequently decides to proceed with a public offering.

In terms of the SEBI Regulations, QIBs are not allowed to withdraw their Bids after the Offer Closing Date. Since, the Bidding Period for QIBs shall close one day prior to the Offer Closing Date QIBs will not be able to withdraw their Bids after July 29, 2010 i.e., one day prior to the Offer Closing Date.

Offer Program

OFFER PROGRAM	
FOR ALL BIDDERS	OFFER OPENS ON JULY 27, 2010
FOR QIBs	OFFER CLOSES ON JULY 29, 2010
FOR RETAIL AND NON-INSTITUTIONAL BIDDERS (INCLUDING ELIGIBILE EMPLOYEES BIDDING UNDER THE EMPLOYEE RESERVATION PORTION)	OFFER CLOSES ON JULY 30, 2010

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the Bidding Centres mentioned on the Bid cum Application Form or, in case of Bids submitted through ASBA Form, the Designated Branches of the SCSBs **except that on the Offer Closing Date, Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time)** and uploaded until (i) 4.00 p.m. in case of Bids by QIBs bidding in the QIB Portion and Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000 and Eligible Employees bidding under the Employee Reservation Portion and (ii) until 5.00 p.m. in case of Bids by Retail Individual Bidders where the Bid Amount is up to Rs. 100,000, which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by Book Running Lead Managers to the Stock Exchanges within half an hour of such closure. Due to limitation of the time available for uploading the Bids on the Offer Closing Date, the Bidders are advised to submit their Bids one day prior to the Offer Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Offer Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Offer Closing Date, as is typically experienced in public offerings in India, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids will only be accepted on Working Days.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid form, for a particular Bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical or electronic ASBA Form, for a particular ASBA Bidder, the Registrar to the Offer shall ask the relevant SCSB for rectified data.

On the Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion, after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid cum Application Forms and ASBA Forms as stated herein and reported by the Book Running Lead Managers to the Stock Exchange within half an hour of such closure.

Our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, reserve the right to revise the Price Band during the Bidding Period in accordance with the SEBI Regulations provided that the Cap Price should not be more than 120% of the Floor Price. Subject to compliance with the above mentioned condition, the Floor Price can move up or down to the extent of 20% of the Floor Price advertised at least two Working Days before the Offer Opening Date.

In case of revision in the Price Band, the Bidding Period shall be extended for three additional Working Days after such revision subject to the Bidding Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be published in English and Hindi national newspapers, i.e., [●] edition of [●] and [●] edition of [●]), each with wide circulation and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the members of the Syndicate.

Underwriting Agreement

After the determination of the Offer Price, but prior to filing of the Prospectus with the RoC, our Company and the Selling Shareholder intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through this Offer, except such Equity Shares as are required to be compulsorily Allotted to QIBs under the QIB Portion. The underwriting arrangement shall not apply to the subscription by the ASBA Bidders in the Offer. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be completed before filing of the Prospectus with the RoC.)

Details of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (*Rs. million*)
[●]	[●]	[●]
[●]	[●]	[●]
Total	[●]	[●]

The above-mentioned amount is indicative and will be finalised after determination of the Offer Price and finalization of the 'Basis of Allotment'.

The above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board/ Committee of the Board, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in the proportion of their underwriting commitments. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriters, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure/subscribe for Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

In case of under-subscription in the Offer, the Book Running Lead Managers shall be responsible for invoking underwriting obligations and ensuring that the notice for devolvement containing the obligations of the Underwriters is issued in terms of the SEBI Regulations.

CAPITAL STRUCTURE

The equity share capital of our Company as of the date of this Red Herring Prospectus is set forth below:

(Rs. in million except share data)

		Aggregate Nominal Value	Aggregate Value at Offer Price
A)	**Authorised Share Capital[(a)]**		
	600,000,000 Equity Shares	3,000	
B)	**Issued Share Capital Before the Offer**		
	337,017,600 Equity Shares	1,685.09	
C)	**Subscribed and Paid Up Share Capital Before the Offer**		
	336,936,600 Equity Shares*	1,684.68	[●]
D)	**Present Offer in Terms of this Red Herring Prospectus [(b)]**		
	33,693,660 Equity Shares	[●]	[●]
	Which comprises		
i)	**Employee Reservation Portion of 712,000 Equity Shares [(c) (e)]**		
ii)	**Net Offer of 32,981,660 Equity Shares**		
	Of which:		
	QIB Portion of up to 16,490,830 Equity Shares [(d) (e)]:		
	Non-Institutional Portion of not less than 4,947,249 Equity Shares[(e)]:		
	Retail Portion of not less than 11,792,581Equity Shares[(e)]:		
E)	**Paid up Share Capital After The Offer**		
	336,936,600 Equity Shares	[●]	[●]
F)	**Share Premium Account**		
	Before the Offer	Nil	[●]
	After the Offer	[●]	[●]

(a)

Date	Nature of amendment
October 7, 1994	The face value of the equity shares was split from Rs. 100 to Rs. 10 per equity share. Further, our authorised share capital was increased from Rs. 20,000,000 divided into 200,000 equity shares of Rs. 100 each to Rs. 500,000,000 divided into 50,000,000 equity shares of Rs. 10 each.
September 22, 1999	The authorised share capital was increased from Rs. 500,000,000 divided into 50,000,000 equity shares of Rs. 10 each to Rs. 1,000,000,000 divided into 100,000,000 equity shares of Rs. 10 each.
April 22, 2010	The face value of the equity shares was split from Rs. 10 to Rs. 5 per equity share. Further, our authorised share capital was increased from Rs. 1,000,000,000 divided into 100,000,000 equity shares of Rs. 10 each to Rs. 3,000,000,000 divided into 600,000,000 equity shares of Rs. 5 each.

(b) The MoPNG, through its letter no. G-38011/42/2009-Fin.I dated June 10, 2010 conveyed its approval for the Offer.

* The issued equity share capital of the Company is at variance with the subscribed and paid-up equity share capital of the Company because of the following:

- In accordance with a resolution passed by the shareholders at the extraordinary general meeting on February 14, 1997, the Board was authorised to issue up to 759,200 equity shares of Rs. 10 each to all regular employees of our Company. However, the Board allotted only 720,000 equity shares of Rs. 10 each to the regular employees of our Company and 39,200 equity shares of Rs. 10 each remained unsubscribed. The issue price in respect of equity shares which were allotted was to be paid in two calls, with 10% of the issue price payable on application and the remaining 90% of the issue price payable on allotment.
- On July 27, 2004, 1,300 Equity Shares were forfeited on account of non-payment of 90% of the call money on such equity shares.
- On May 7, 2010 (being the record date for the split), the face value of the equity shares of the Company was split from Rs. 10 per equity share to Rs. 5 per equity share and accordingly the 1,300 forfeited Equity Shares

and 39,200 unallotted equity shares were increased to 2,600 and 78,400 Equity Shares, respectively and the total number of unsubscribed Equity Shares increased to 81,000.

(c) Under-subscription, if any, in the Employee Reservation Portion shall be added back to the Net Offer.

(d) 5% of the QIB Portion or that is 824,542 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to QIBs including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% or 824,542 Equity Shares, the balance Equity Shares will be added to the QIB Portion and allocated to the QIBs in proportion to their Bids.

(e) Under-subscription, if any, in any category, excluding the Employee Reservation Portion, would be allowed to be met with spill-over from other categories or a combination of categories, at the sole discretion of our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers.

Notes to the Capital Structure

1. **Share Capital History:**

(a) History of the Equity Share Capital of our Company

(Amount in Rs.)

Date of Allotment /Date when made Fully Paid*	No. of Equity Shares	Face Value	Offer Price	Nature of Consideration	Reasons for Allotment	Cumulative no. of Paid up Equity Shares	Cumulative Paid up Equity Share Capital	Cumulative Share Premium
March 15, 1965	100	100	100	Cash	Initial allotment(1)	100	10,000	-
March 31, 1966	4,000	100	100	Cash	Preferential allotment(2)	4,100	410,000	-
September 23, 1966	3,500	100	100	Cash	Preferential allotment(3)	7,600	760,000	-
November 23, 1966	898	100	100	Cash	Preferential allotment(4)	8,498	8,49,800	-
March 31, 1967	8,416	100	100	Cash	Preferential allotment(5)	16,914	1,691,400	-
	8,086	100	-	Other than Cash	Preferential allotment(6)	25,000	2,500,000	-
September 24, 1980**	25,000	100	-	Other than cash	Bonus issue in the ratio 1:1	50,000	5,000,000	-
September 17, 1986**	50,000	100	-	Other than cash	Bonus issue in the ratio 1:1	100,000	10,000,000	-
March 18, 1992**	100,000	100	-	Other than cash	Bonus issue in the ratio 1:1	200,000	20,000,000	-
October 7, 1994	1,600,000	100	-	Other than cash	Bonus issue in the ratio 8:1	1,800,000	180,000,000	-
	The face value of the equity shares of Rs. 100 each was split to face value of Rs. 10 each resulting in 18,000,000 equity shares of Rs. 10 each					18,000,000	180,000,000	-
May 14, 1997	720,000	10	138	Cash	Preferential allotment(7)	18,720,000	187,200,000	92,010,240
December 28, 1999	37,437,400#	10	-	Other than cash	Bonus issue in the ratio 2:1	56,157,400	561,562,300	92,010,240
The Offer Price in respect of equity shares allotted on May 14, 1997, was to be paid in two calls - 10% of the Offer Price on application and 90% of the Offer Price on allotment. For 1,300 equity shares the second call amount of 90% of the Offer Price was not received and subsequently, these equity shares in arrears were forfeited on July 27, 2004 and accordingly, the								

Date of Allotment /Date when made Fully Paid*	No. of Equity Shares	Face Value	Offer Price	Nature of Consideration	Reasons for Allotment	Cumulative no. of Paid up Equity Shares	Cumulative Paid up Equity Share Capital	Cumulative Share Premium
equity share capital got reduced to 56,156,100 equity shares.								
May 7, 2010	The face value of the equity shares of Rs. 10 each was split to face value of Rs. 5 each resulting in 112,312,200 Equity Shares					112,312,200	561,561,000[(8)]	92,010,240
May 8, 2010	224,624,400	5	-	Other than cash	Bonus issue in the ratio 2:1	336,936,600	1,684,683,000	Nil[(9)]

* *The equity shares were made fully paid on the date of allotment.*

** *Date of the shareholders resolution approving the bonus issue.*

On February 14, 1997, our Company issued 720,000 equity shares to all regular employees of our Company, the issue price for which was to be paid in two calls. Pending the receipt of second call on these equity shares, our Company passed a resolution to announce a bonus issue of 37,440,000 equity shares on December 28, 1999 and accordingly filed the Form 2 with the RoC for 37,440,000 equity shares on January 27, 2000. The bonus issue of 37,440,000 equity shares included 2,600 equity shares to be issued on 1,300 partly paid equity shares. Annual Reports of the Company from the year 1999-2000 till 2003-2004 record that the 2,600 equity shares are pending to be issued on 1,300 Equity Shares on account of call in arrears. The 1,300 partly paid up Equity Shares were forfeited on July 27, 2004 and accordingly the 2,600 Equity Shares which were to be issued on these Equity shares were not issued. The Company is yet to file the revised Form 2 with the RoC modifying the number of issued Equity Shares from 37,440,000 to 37,437,400. See risk factor no. 17 in the section titled "Risk Factors" beginning on page xii.

(1) By way subscription to the Memorandum, our Promoter was allotted 51 equity shares, Bechtel International Corporation was allotted 24 equity shares and Mr. Ralph Morrison Dorman was allotted 25 equity shares.

(2) Preferential allotment of 2,040 equity shares to our Promoter, 960 equity shares to Bechtel International Corporation and 1,000 equity shares to Mr. Ralph Morrison Dorman.

(3) Preferential allotment of 1,785 equity shares to our Promoter, 840 equity shares to Bechtel International Corporation and 875 equity shares to Mr. Ralph Morrison Dorman.

(4) Preferential allotment of 458 equity shares to our Promoter, 215 equity shares to Bechtel International Corporation and 225 equity shares to Mr. Ralph Morrison Dorman.

(5) Preferential allotment of 8,416 equity shares to our Promoter.

(6) Preferential allotment of 3,961 equity shares to Bechtel International Corporation and 4,125 equity shares to Mr. Ralph Morrison Dorman.

(7) In accordance with a resolution passed by the shareholders at the extraordinary general meeting on February 14, 1997, the Board was authorised to issue 200 equity shares of Rs. 10 each to each regular employee of our Company and up to 759,200 equity shares of Rs. 10 each to all regular employees of our Company including whole time directors as on April 1, 1995, on the basis of applications received from the employees at Rs. 138 per equity share with a lock-in of three years. Subsequently, however, 720,000 equity shares of Rs. 10 each were allotted to employees of our Company at Rs. 138 each.

(8) This excludes the equity shares forfeited amounting to Rs. 1,300.

(9) The amount was applied towards bonus issue on May 8, 2010.

(b) Equity Shares issued for consideration other than cash

Except as detailed below, no equity shares of the Company have been issued for consideration other than cash.

Date of allotment*	Name of the Allottee	Number of equity shares allotted	Face Value of equity shares allotted (Rs.)	Offer Price (Rs.)	Reasons for allotment^
March 31, 1967	Bechtel International Corporation	3,961	100	-	Preferential allotment[(1)]
March 31, 1967	Mr. Ralph Morrison Dorman	4,125	100	-	Preferential allotment
September 24, 1980**	Existing shareholders of the Company as on September 24, 1980	25,000	100	-	Bonus issue in the ratio 1:1
September 17, 1986**	Existing shareholders of the Company as on September 17, 1986	50,000	100	-	Bonus issue in the ratio 1:1

March 18, 1992**	Existing shareholders of the Company as on March 18, 1992	100,000	100	-	Bonus issue in the ratio 1:1
October 7, 1994	Existing shareholders of the Company as on October 7, 1994	1,600,000	100	-	Bonus issue in the ration 8:1
December 28, 1999	Existing shareholders of the Company as on December 1, 1999	37,437,400	10	-	Bonus issue in the ratio 2:1
May 8, 2010	Existing shareholders of the Company as on May 7, 2010	224,624,400	5	-	Bonus issue in the ratio 2:1
Total	**---**	**263,844,886**	**---**	**---**	---

(1) ***Details not available.***
**The Equity Shares were fully paid on the date of their allotment.*
*** Date of the shareholders resolution approving the bonus issue.*
^ No benefits have accrued to our Company out of these issuances.

2. **Build up, Contribution and Lock-in of Promoter**

Date of Allotment* / Transfer	No. of Equity Shares^	Cumulative no. of Equity Shares	Face Value (Rs.)	Issue/ Acquisition / Transfer price (Rs.)	% of pre-Offer Capital	% of post-Offer Capital	Consideration	Nature of Transaction
March 15, 1965	51	51	100	100.00	*Negligible*	*Negligible*	Cash	Initial subscription
March 31, 1966	2,040	2,091	100	100.00	*Negligible*	*Negligible*	Cash	Preferential allotment
September 23, 1966	1,785	3,876	100	100.00	*Negligible*	*Negligible*	Cash	Preferential allotment
November 23, 1966	458	4,334	100	100.00	*Negligible*	*Negligible*	Cash	Preferential allotment
March 31, 1967	8,416	12,750	100	100.00	*Negligible*	*Negligible*	Cash	Preferential allotment
June 14, 1967	12,250	25,000	100	*Record not available*	*Negligible*	*Negligible*	Cash	Transfer of 6,000 equity shares from Bechtel International Corporation and 6,250 equity shares from Mr. Ralph Morrison Dorman
September 24, 1980**	25,000	50,000	100	-	0.01	0.01	Other than cash	Bonus Issue in the ratio of 1:1
September 17, 1986**	50,000	100,000	100	-	0.01	0.01	Other than cash	Bonus Issue in the ratio of 1:1
March 18, 1992**	100,000	200,000	100	-	0.03	0.03	Other than cash	Bonus Issue in the ratio of 1:1
October 7, 1994	1,600,000	1,800,000	100	-	0.47	0.47	Other than cash	Bonus issue in the ratio 8:1
October 7, 1994	18,000,000	18,000,000	10	-	5.34	5.34	-	The face value of the equity shares of Rs. 100 each was split to face value of Rs. 10 each
October 30, 1996	(50,000)	17,950,000	10	617.80	0.01	0.01	Cash	Disinvestment to CRB Mutual Fund
	(41,548)	17,908,452	10	546.55	0.01	0.01	Cash	Disinvestment to General Insurance Corporation of India

Date of Allotment* / Transfer	No. of Equity Shares^	Cumulative no. of Equity Shares	Face Value (Rs.)	Issue/ Acquisition / Transfer price (Rs.)	% of pre-Offer Capital	% of post-Offer Capital	Consideration	Nature of Transaction
	(2,500)	17,905,952	10	775.00	*Negligible*	*Negligible*	Cash	Disinvestment to Goldcrest Finance India Limited
	(275,000)	17,630,952	10	566.82	0.08	0.08	Cash	Disinvestment to Gujarat lease Financing Limited
	(18,000)	17,612,952	10	561.11	0.01	0.01	Cash	Disinvestment to ICICI Trust Limited
	(4,152)	17,608,800	10	535.00	*Negligible*	*Negligible*	Cash	Disinvestment to Indian Bank Mutual Fund
	(1,000)	17,607,800	10	575.00	*Negligible*	*Negligible*	Cash	Disinvestment to Indian Overseas Bank
	(400,000)	17,207,800	10	569.75	0.19	0.19	Cash	Disinvestment to Life Insurance Corporation of India
	(16,400)	17,191,400	10	606.71	*Negligible*	*Negligible*	Cash	Disinvestment to National Insurance Corporation of India
	(10,000)	17,181,400	10	551.00	*Negligible*	*Negligible*	Cash	Disinvestment to Punjab National Bank
	(216,000)	16,965,400	10	646.87	0.06	0.06	Cash	Disinvestment to Stock Holding Corporation of India
	(38,500)	16,926,900	10	544.94	0.01	0.01	Cash	Disinvestment to New India Assurance Company Limited
	(5,000)	16,921,900	10	550.00	*Negligible*	*Negligible*	Cash	Disinvestment to United India Insurance Company Limited
December 28, 1999	33,843,800	50,765,700	10	-	10.04	10.04	Other than cash	Bonus issue in the ratio 2:1
May 7, 2010	101,531,400	101,531,400	5	-	30.13	30.13	-	The face value of the equity shares of Rs. 10 each was split to face value of Rs. 5 each
May 8, 2010	203,062,800	304,594,200	5	-	60.27	60.27	Other than cash	Bonus issue in the ratio 2:1

* *The Equity Shares were fully paid on the date of their allotment.*
** *Date of the shareholders resolution approving the bonus issue.*
^ *None of the Equity Shares held by our Promoter are pledged.*

(b) Details of Promoter's Contribution Locked-in for Three Years:

An aggregate of 20% of the post Offer capital of our Company held by our Promoter shall be considered as promoter's contribution ("**Promoter's Contribution**") and locked-in for a period of three years from the date of Allotment.

The lock-in of the Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchanges before trading of the Equity Shares.

The Selling Shareholder pursuant to its undertakings through its letter no. G-38011/42/2009-Fin.I dated June 10, 2010 granted consent to include 67,403,520 Equity Shares held by them as Promoter's Contribution and have agreed not to sell or transfer or pledge or otherwise dispose off in any manner, the Promoter's Contribution from the date of filing of the Draft Red Herring Prospectus until the commencement of the lock-in period specified above. Details of Promoter's Contribution are as provided below:

Name of the Promoter	No. of Equity Shares	% of Pre-Offer Capital	% of Post-Offer Capital
The President of India	67,403,520	20	20

All the Equity Shares held by our Promoter are in dematerialised form.

The Promoter's Contribution has been brought to the extent of not less than the specified minimum lot and from persons who are classified as 'promoters' of this Company as per the SEBI Regulations. All Equity Shares, which are to be locked-in, are eligible for computation of Promoter's contribution, as per the SEBI Regulations.

The above mentioned Equity Shares proposed to be included as part of the Promoter's Contribution:

(a) have not been subject to pledge with any creditor; or
(b) have not resulted, in the past three years, from a bonus issue by utilisation of revaluation reserves or unrealised profits of our Company or from a bonus issue against Equity Shares which are ineligible for Promoter's Contribution; or
(c) have not been acquired during the preceding three years for consideration other than cash and revaluation of assets or from a transaction involving capitalisation of intangible assets; or
(d) are not arising out of securities acquired during the preceding one year, at a price lower than the price at which Equity Shares are being offered to the public in the Offer.

Further, our Company has not been formed by the conversion of a partnership firm into a company.

(c) Details of Equity Shares locked in for one year

The Selling Shareholder pursuant to its undertakings through its letter no. G-38011/42/2009-Fin.I dated June 10, 2010 granted approval for the lock-in of its entire post-Offer shareholding minus the Promoter's Contribution, i.e. 67,403,520 Equity Shares and 33,693,660 Equity Shares being offered in this Offer, for a period of one year from the date of transfer in the Offer or for such other time as may be required.

(d) Other requirements in respect of lock-in

The Equity Shares held by the Promoter, which are locked in for a period of one year, as specified above, may be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan.

In terms of applicable law, the Equity Shares held by the Promoter may be transferred to any person of the promoter group or to new promoters or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

3. **Shareholding pattern of our Company**

The table below represents the shareholding pattern of our Company before the proposed Offer and as adjusted for the Offer:

Shareholders	Pre-Offer		Post-Offer*	
	No. of Equity Shares	Percentage of shareholding	No. of Equity Shares	Percentage of shareholding
Promoter (A)				
President of India, acting through the MoPNG	304,594,200	90.40	270,900,540**	80.40
Sub-Total (A)	*304,594,200*	*90.40*	*270,900,540*	*80.40*
Public shareholding (B)				
Institutions (B1)				
Mutual Funds	1,689,878	0.50	1,689,878	0.50
Financial Institutions/	242,329	0.07	242,329	0.07

Shareholders	Pre-Offer		Post-Offer*	
	No. of Equity Shares	Percentage of shareholding	No. of Equity Shares	Percentage of shareholding
Banks				
Central Government(s)/State Government(s)	551,717	0.16	551,717	0.16
Venture Capital Funds	-	-	-	-
Insurance companies	12,079,104	3.58	12,079,104	3.58
Foreign Institutional Investors	2,540,065	0.75	2,540,065	0.75
Foreign Venture Capital Investors	-	-	-	-
Any Other	-	-	-	-
Sub-Total (B)(1)	*17,103,093*	*5.08*	*17,103,093*	*5.08*
Non-institutions (B2)				
Bodies Corporate	2,211,782	0.66	2,211,782	0.66
Individual shareholders holding nominal share capital up to Rs. One Lac	11,476,237	3.41	11,476,237	3.41
Individual shareholders holding nominal share capital in excess of Rs. One Lac	489,452	0.15	489,452	0.15
Non Resident India/OCB	378,088	0.11	378,088	0.11
Clearing member	651,198	0.19	651,198	0.19
Trust	32,550	0.01	32,550	0.01
Sub-Total (B)(2)	*15,239,307*	*4.52*	*15,239,307*	*4.52*
Public (Pursuant to the Offer) (B)(3)	**0**	**0.00**	**33,693,660**	**10.00**
Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	**32,342,400**	**9.60**	**66,036,060**	**19.60**
GRAND TOTAL (A)+(B)	**336,936,600**	**100.00**	**336,936,600**	**100.00**

* *This is based on the assumption that existing shareholders, except the Selling Shareholder, shall continue to hold the same number of Equity Shares after the* Offer*. This does not include any Equity Shares that such shareholders (excluding our Promoter and Directors may Bid for and be Allotted.*

** *Assuming that the Offer is fully subscribed.*

4. The shareholding in our Company of our Promoter, Directors and Key Management Personnel is as follows:

Name of the Shareholder	No. of Equity Shares	Pre- Offer Percentage Shareholding (%)	Post- Offer Percentage Shareholding (%)
Promoter			
The President of India, through the MoPNG	304,594,200	90.40	80.40*
Directors			
Mr. Pradeep Kumar Rastogi	2,400	*Negligible*	*Negligible*
Mr. Manoj Kumar Joshi	600	*Negligible*	*Negligible*
Mr. Ram Singh	162	*Negligible*	*Negligible*
Key Managerial Personnel			
Mr. Niladri Duari	3,600	*Negligible*	*Negligible*
Mr. Peush Mahajan	3,600	*Negligible*	*Negligible*
Mr. Rajan Jain	3,600	*Negligible*	*Negligible*
Dr. Vedanta Ramanujan Krishnan	3,600	*Negligible*	*Negligible*
Mr. Kamleshwar Prasad Tandon	2,400	*Negligible*	*Negligible*
Dr. R. Soundararajan	2,400	*Negligible*	*Negligible*
Mr. Ravinder Kumar Batra	600	*Negligible*	*Negligible*
Mr. Hardip Singh Vohra	30	*Negligible*	*Negligible*
Total	**304,613,592**	**---**	

**Assuming that the Offer is fully subscribed.*

5. **Top Ten shareholders**

The list of our Company's top ten shareholders and the number of Equity Shares held by them is provided below:

(a) As on July 8, 2010

S. No.	Name of Shareholder	No. of Equity Shares Held	Pre- Offer %
1.	President of India acting through the MoPNG	304,594,200	90.40
2.	Life Insurance Corporation of India	5,395,308	1.60
3.	General Insurance Corporation of India	3,956,016	1.17
4.	United India Insurance Company Limited	1,102,590	0.33
5.	DSP Blackrock India T.I.G.E.R. Fund	861,762	0.26
6.	Comgest Growth Plc A/C Comgest Growth India	700,000	0.21
7.	The New India Assurance Company Limited	693,000	0.21
8.	Dreyfus Emerging Asia Fund	570,000	0.17
9.	Lic Of India Market Plus – 1	531,437	0.16
10.	The Oriental Insurance Company Limited	512,190	0.15

(a) As on June 30, 2010

S. No.	Name of Shareholder	No. of Equity Shares	Pre- Offer %
1.	President of India acting through the MoPNG	304,594,200	90.40
2.	Life Insurance Corporation of India	5,395,308	1.60
3.	General Insurance Corporation of India	3,956,016	1.17
4.	United India Insurance Company Limited	1,102,590	0.33
5.	DSP Blackrock India T.I.G.E.R. Fund	870,467	0.26
6.	Comgest Growth Plc A/C Comgest Growth India	700,000	0.21
7.	The New India Assurance Company Limited	693,000	0.21
8.	Dreyfus Emerging Asia Fund	570,000	0.17
9.	Lic Of India Market Plus – 1	531,437	0.16
10.	The Oriental Insurance Company Limited	512,190	0.15

(b) As on July 11, 2008

S. No.	Name of Shareholder	No. of Equity Shares	Pre- Offer %
1.	President of India acting through the MoPNG	50,765,700	90.40
2.	Life Insurance Corporation of India	878,388	1.56
3.	General Insurance Corporation of India	659,336	1.17
4.	Swiss Finance Corporation (Mauritius) Limited	364,605	0.65
5.	DSP Merrill Lynch Trustee Co. Pvt. Ltd- a/c DSP Merrill Lynch India T.I.G.E.R. Fund	263,454	0.47
6.	United India Insurance Company Limited	183,765	0.33
7.	Comgest Growth Plc A/C Comgest Growth India	144,997	0.26
8.	National Insurance Company Ltd	131,778	0.24
9.	The Oriental Insurance Company Limited	117,881	0.21
10.	The New India Assurance Company Limited	115,500	0.21

6. Our Company, Selling Shareholder, Directors and the Book Running Lead Managers have not entered into any buy-back arrangements or similar arrangements for purchase of Equity Shares being offered through this Offer.

7. Other than a bonus issue on May 8, 2010, as mentioned above in "Notes to Capital Structure – Share Capital History - (a) History of the Equity Share Capital of our Company", our Company has not issued any Equity Shares in the last one year preceding the date of filing of this Red Herring Prospectus.

8. Other than as mentioned above in "Notes to Capital Structure – Share Capital History - (a) History of the Equity Share Capital of our Company", none of our Equity Shares have been issued for consideration other than cash.

9. Except as disclosed below, the Book Running Lead Managers and/or their associates do not hold any Equity Shares as on the date of filing of this Red Herring Prospectus:

   - I-SEC and its associates jointly hold 4,704 Equity Shares besides the 1,971 Equity Shares which are held by ICICI Securities Limited under its equities broking operations where the clients are the ultimate beneficiaries, and
   - HSBC and its associates do not hold any shares in our Company except 83,588 Equity Shares that are currently held by HSBC Investdirect Securities (India) Limited under its equities broking operations where the clients are the ultimate beneficiaries.

10. There will be no further issue of capital whether by way of public issue, bonus shares, preferential allotment, rights issue, qualified institutions placement, or in any other manner during the period commencing from the submission of this RHP with SEBI until the Equity Shares to be issued pursuant to the Offer have started trading. Further, our Company does not have any intention, proposal, negotiations or consideration to alter its capital structure by way of split /consolidation of the denomination of the Equity Shares, or issue of Equity Shares on a preferential basis or issue of bonus or rights or further public issue of shares or any other securities, within a period of six months from the Offer Opening Date.

11. Our Company has not issued Equity Shares out of its revaluation reserves.

12. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Red Herring Prospectus.

13. None of the Equity Shares held by our Promoter are subject to any pledge.

14. The Company agrees that it will not, without the prior written consent of the BRLMs, during the period starting from the date hereof and ending 180 days after the date of the Prospectus, (i) issue, offer, lend, pledge, encumber, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of shares of the Company or any securities convertible into or exercisable as or exchangeable for the Equity Shares; or (iii) publicly announce any intention to enter into any transaction described in (i) or (ii) above; whether any such transaction described in (i) or (ii) above is to be settled by delivery of Equity Shares or such other securities, in cash or otherwise or (iv) engage in any publicity activities prohibited under the SEBI Regulations or any general solicitation of directed selling efforts as such terms are defined in Regulation S or any other jurisdiction in which the Equity Shares are being offered, during the period in which it is prohibited under such laws.

15. Neither of our Promoter, Directors or their immediate relatives have purchased or sold any securities of the Company within the six months preceding the date of filing of this Red Herring Prospectus.

16. Our Promoter and Directors will not participate in this Offer.

17. 712,000 Equity Shares, have been reserved for allocation to Eligible Employees on a proportionate basis, subject to valid Bids being received at the Offer Price. Bids by Eligible Employees bidding under the Employee Reservation Portion can also be made in the Net Offer and such Bids shall not be treated as multiple Bids. If the aggregate demand in the Employee Reservation Portion is greater than 712,000 Equity Shares, allocation shall be made on a proportionate basis.

18. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, excluding the Employee Reservation Portion, would be met with spill-over from any other category or a combination of other categories, at the sole discretion of our Company and the Selling Shareholder, in consultation with Book Running Lead Managers. Such inter-se spill-over, if any,

would be effected in accordance with applicable laws, rules, regulations and guidelines.

19. An investor cannot make a Bid for more than the number of Equity Shares offered through this Offer, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

20. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

21. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

22. Our Company shall ensure that transactions in the Equity Shares by our Promoter between the date of filing of the Draft Red Herring Prospectus and the Offer Closing Date shall be intimated to the Stock Exchanges within 24 hours of such transaction.

OBJECTS OF THE OFFER

The object of the Offer is to carry out the divestment of 33,693,660 Equity Shares by the Selling Shareholder. Our Company will not receive any proceeds from the Offer and all proceeds shall go to the Selling Shareholder.

Offer Related Expenses

The expenses for this Offer include lead management fees, underwriting commission, registrar's fees, advertisement and marketing expenses, legal fees and depository charges. The details of the estimated Offer expenses are set forth below.

S.No.	Activity Expense	Amount (Rs. million)	Percentage of Total Estimated Offer Expenditure	Percentage of Offer Size
1.	Fees of the Book Running Lead Managers*	[●]	[●]	[●]
2.	Fees of Registrar to the Offer*	[●]	[●]	[●]
3.	Fees of the Legal Advisors*	[●]	[●]	[●]
4.	Advertisement and marketing expenses*	[●]	[●]	[●]
5.	Other Expenses (Listing fees, Auditor's fees, fee to Depositories, printing and stationery expenses etc.)*	[●]	[●]	[●]
6.	Underwriting commission, brokerage and selling commission	[●]	[●]	[●]
7.	Fees payable to SCSBs	[●]	[●]	[●]
	Total Estimated Offer Expenses	[●]	[●]	[●]

**Will be incorporated at the time of filing of the Prospectus.*

All expenses with respect to fees payable to the BRLMs, Registrar to the Offer, Legal Advisors, brokerage and selling commission as well as expenses towards the publication of Offer related advertisements in connection with the Offer will be paid by the Selling Shareholder.

BASIS FOR THE OFFER PRICE

The Offer Price of Rs. [●] has been determined by the Company and the Selling Shareholder in consultation with the BRLMs, on the basis of assessment of market demand from the investors for the offered Equity Shares by way of Book Building process. The face value of the equity shares is Rs. 5 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also refer to the sections titled "Risk Factors" and "Financial Information" on page xii and F-1.

QUALITATIVE FACTORS

- Leadership position across the value chain in the hydrocarbon industry in India;
- Operations in diverse industries and economies;
- Technology-driven integrated turnkey and total solutions consultancy services;
- Robust financial position with significant Order Book;
- Integrated project management capabilities with a focus on quality, HSE, cost efficiencies and timely implementation; and
- Qualified and motivated employee base and proven management team.

For more details on qualitative factors, refer to section "Our Business" on page 99.

QUANTITATIVE FACTORS

Information presented in this section is derived from our Standalone and Consolidated Restated Financial Statements prepared in accordance with Indian GAAP.

The Shareholders of the company in their extra ordinary general meeting held on 22nd April, 2010 approved sub division of Equity Share of face value of Rs. 10/- each into 2 Equity Shares and issue of Bonus Shares in the ratio of 2:1. Post sub-division and bonus issue, company's share capital has increased from 56,156,100 equity shares of Rs. 10 each to 336,936,600 Equity Shares. Accordingly all accounting ratios mentioned below have been calculated post split and bonus issue.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

1. EARNING PER SHARE (EPS)(1)(2)(3)

As per our restated Unconsolidated Summary Statements:

Year ended	Basic & Diluted EPS (in Rs.)	Weight
March 31, 2010	13.04	3
March 31, 2009	10.17	2
March 31, 2008	5.82	1
Weighted Average	10.88	

As per our restated Consolidated Summary Statements:

Year ended	Basic & Diluted EPS (in Rs.)	Weight
March 31, 2010	13.19	3
March 31, 2009	10.37	2
March 31, 2008	5.91	1
Weighted Average	11.04	

(1) Earning per share represents basic earnings per share calculated as net profit attributable to equity shareholders as restated divided by a weighted average number of shares outstanding at the end of the year.
(2) Face value per share is Rs.5

(3) The above information has been adjusted for all periods, based on new number of shares after sub division of equity share of face value of Rs.10/- each into 2 equity shares of the company of face value of Rs5/- each and issue of Bonus Shares in the ratio of 2 : 1 .

Note:

a) The Earning per Share has been computed on the basis of the restated profits and losses of the respective years.
b) The denominator considered for the purpose of calculating Earnings per Share is the weighted average number of Equity Shares outstanding at the end of the year.
c) EPS calculations have been done in accordance with Accounting Standard 20-"Earning per share" issued by the Institute of Chartered Accountants of India.

2. PRICE EARNING RATIO (P/E RATIO)

Price/Earning (P/E) ratio in relation to Offer Price of Rs. [●] per share of face value of Rs. 5 each:

a) As per our Restated Unconsolidated Summary Statements for year ended March 31, 2010: [●]
b) As per our Restated Consolidated Summary Statements for year ended March 31, 2010: [●]
c) Industry P/E –
We are an engineering consultancy company principally focused on the oil and gas and petrochemicals industries and not having any peer group listed companies in India with which we can be compared with

3. RETURN ON NET WORTH:

Return on Net Worth as Per Restated Unconsolidated Financial Statements

Year ended	RONW (%)	Weight
March 31, 2010	39.49%	3
March 31, 2009	25.03%	2
March 31, 2008	17.08%	1
Weighted Average	30.94%	

Return on Net Worth represents restated Net profit after tax, divided by Net Worth (excluding Revaluation Reserve +Capital Grant Received against Fixed Assets) as at year end.

Return on Net Worth as Per Restated Consolidated Financial Statements

Year ended	RONW (%)	Weight
March 31, 2010	38.56%	3
March 31, 2009	24.89%	2
March 31, 2008	16.94%	1
Weighted Average	30.40%	

4. Minimum Return on Increased Net Worth required to maintain pre-Offer EPS for the year ended March 31, 2010:

There will be no change in the net worth post-Offer as the Offer is by way of offer for sale by the Selling Shareholder.

5. NET ASSET VALUE PER EQUITY SHARE:

a. As of March 31, 2010 (Consolidated) : Rs. 34.20
b. As of March 31, 2010 (Standalone) : Rs. 33.02

c. Offer Price [●]*
d. As of March 31, 2010 (Consolidated) after the Issue[1] : Rs. 34.20
e. As of March 31, 2010 (Standalone) after the Issue[1] : Rs. 33.02

*Offer Price per Share will be determined on conclusion of book building process.

Net Asset Value per Equity Share represents Net Worth (excluding Revaluation Reserve + Capital Grant received against Fixed Assets) as restated, divided by the number of Equity Shares outstanding at the end of the year.

[1]There will be no change in the Net Worth post-Offer, due to the Offer, as the Offer is by way of offer for sale by the Selling Shareholder.

The above information has been adjusted for all periods, based on new number of shares after sub division of equity share of face value of Rs. 10 each into 2 equity shares of the company of face value of Rs. 5 each and issue of Bonus Shares in the ratio of 2:1 .

6. COMPARISON WITH INDUSTRY PEERS:

We are an engineering consultancy company principally focused on the oil and gas and petrochemicals industries and not having any peer group listed companies in India with which we can be compared with.

Since the Offer is being made through the 100% Book Building Process, the Offer Price will be determined on the basis of investor demand.

The face value of our Equity Shares is Rs. 5 each and the Offer Price is [●] times of the face value of our Equity Shares.

The Offer Price of Rs. [●] has been determined by us, in consultation with the BRLMs on the basis of the demand from investors for the Equity Shares through the Book-Building Process and is justified based on the above accounting ratios. For further details, see the section titled “Risk Factors” on page xii and the financial information of the Company including important profitability and return ratios, as set out in the “Financial Information” stated on page F-1 to have a more informed view. The trading price of the Equity shares of the company could decline due to the factors mentioned in “Risk Factors” and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

The Board of Directors
Engineers India Limited
Engineers India Bhawan
1, Bhikaji Cama Place
New Delhi 110 066
India

Dear Sirs,

We hereby certify that the enclosed statement states the possible tax benefits available to Engineers India Limited (the Company) and to its shareholders under the provisions of Income Tax Act,1961 and other direct tax laws, presently in force in India. Several of the benefits outlined in the statement will be dependent upon the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits will be dependent upon such conditions being fulfilled.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:

(i) the Company is currently availing any of these benefits or will avail these benefits in future; or
(ii) the Company's share holders will avail these benefits in future; or
(iii) the conditions prescribed for availing the benefits would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of the understanding of the business activities and operations of the Company.

This report is intended solely for informational purposes for the inclusion in the Offer Document in connection with the Proposed Offer for Sale of Equity Shares of “the Company” by the President of India ("the Offer") and is not to be used in, referred to or distributed for any other purpose.

For Jagdish Chand & Co.,
Chartered Accountants

(Praveen Kumar Jain)
Partner
Membership Number: 085629
Firm Registration No. 000129N

Place: New Delhi
Dated: 8th June, 2010

STATEMENT OF TAX BENEFITS

The following possible tax benefits shall be available to the Company and the prospective shareholders under the Current Direct Tax Laws. Several of these benefits are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon the fulfilling such conditions.

A. To the Company

Under the Income Tax Act, 1961 (IT Act)

- In accordance with and subject to the provisions of Section 35, the Company would be entitled to deduction in respect of expenditure laid out or expended on scientific research related to the business.

- By virtue of Section 10(34) of the IT Act, income earned by way of dividend income from another domestic company referred to in Section 115-0 of the IT Act, are exempt from tax in the hands of the company, subject to provisions of section 14A and rules framed there under.

- By virtue of section 10(35) income earned by way of dividend from units of mutual funds specified under clause 10 (23D) is exempt from tax, subject to the provisions of Section 14A and Rules framed there under.

- By virtue of section 86 of the IT Act, share of income of members of an Association of persons is exempt from tax provided the Association of person is chargeable to tax at Maximum Marginal Rate or any higher rate.

  - While calculating dividend distribution tax as per provision of Section 115.0, the reduction shall be allowed in respect of the dividend received by a domestic company from a subsidiary company during the financial year provided the subsidiary company has paid tax on such dividend and the domestic company, is not a subsidiary of any other company. It is further provided that same amount of dividend shall not be taken into the reduction more than once. For this purpose a company shall be subsidiary of another company, if such other company holds more than half in nominal value of the equity share capital of another company.

B. To the Members of the Company

Bl. Under the Income Tax Act, 1961 (IT Act)

1. All Members

- By virtue of Section 10(34) of the IT Act, income earned by way of dividend income as referred to in Section 115-0 of the IT Act, are exempt from tax in the hands of the shareholders, subject to provisions of section 14A and rules framed there under, wherever applicable.

- By virtue of Section 10 (38) inserted by Finance (No.2 Act, 2004) income arising from transfer of long term capital asset, being an equity share in the Company is exempt from tax, if the transaction of such sale has been entered into on or after the date on which Chapter VII of the Finance (No.2) Act, 2004 comes into force and such transaction is chargeable to Securities Transaction Tax under that Chapter.

- By virtue of Section 111A of the Income Tax Act, short term capital gain on transfer of equity share in the Company shall be chargeable to tax @ 15% (Plus applicable surcharge and education cess), if the transaction of such sale has been entered into on or after the date on which Chapter VII of the Finance (No.2) Act, 2004 comes into force and such transaction is chargeable to Securities Transaction Tax under the Chapter.

2. Resident Members

- In terms of section 10(23D) of the Income Tax Act, 1961, all mutual funds set up by public sector banks or public financial institutions *or* mutual funds registered under the Securities and Exchange Board of India or authorized by the RBI subject to the conditions specified therein are eligible for exemption from income tax on their entire income, including income from investment in the shares of the company, subject to provisions of section 14A and rules framed there under, wherever applicable.

- Under Section 54EC of the Income Tax Act, 1961 and subject to the conditions and to the extent specified therein, long term capital gains (not covered under section 10(38) of the Act) arising on the transfer of shares of the Company will be exempt from capital gains tax if the capital gain upto Rs.50 lacs are invested within a period of six months from the date of transfer in "Long Term specified assets".

  If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within three years from the date of their acquisition.

- Under Section 54F of the Income Tax Act, 1961 and subject to the conditions and to the extent specified therein, long term capital gains (in cases not covered under section 10(38) of the Act) arising to an individual or Hindu Undivided Family (HUF) on transfer of shares of the Company will be exempt from capital gain tax subject to other conditions, if the net sales consideration from such shares are used for purchase of residential house property within a period of one year before and two year after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.

  If any part of the Capital gain is reinvested the exemption will be reduced proportionately. The amount so exempted shall be chargeable to tax subsequently, if residential property is transferred within a period of three years from the date of purchase/construction. Similarly, if the shareholder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house, the original exemption will be taxed as capital gains in the year /in which the additional residential house is acquired.

- Under Section 112 of the Income Tax Act, 1961 and other relevant provisions of the Act, long term capital gains (not covered under Section 10(38) of the Act) arising on transfer of shares in the Company, if shares are held for a period exceeding 12 months shall be taxed at a rate of 20% (plus applicable surcharge and education cess) after- indexation as provided in the second proviso to Section 48; or at 10% (plus applicable surcharge and education cess) (without indexation), at the option of the Shareholders.

3. Non Resident Indians/Members (other than FIIs and Foreign Venture Capital investors)

Tax on Investment Income and Long Term Capital Gain

- A non resident Indian (i.e. an individual being a citizen of India or person of Indian Origin) has an option to be governed by the provisions of Chapter XIIA of the Income Tax Act, 1961 viz. "Special Provisions Relating to certain Incomes of Non-Residents".
- Under Section 115E of the Income Tax Act, 1961, where shares in the Company are subscribed for in convertible Foreign Exchange by a Non Resident Indian, capital gains arising to the non resident on transfer of shares held for a period exceeding 12 months shall (in cases not covered under Section 10(38) of the Act) be concessionally taxed at the flat rate of 10%(plus applicable, surcharge and education cess) without indexation benefit but with protection against foreign exchange fluctuation.
- As per section 90(2) of the Act, the provision of the Act would prevail over the provision of the tax treaty to the extent they are more beneficial to the Non Resident. Thus, a Non Resident can opt to be governed by the beneficial provisions of an applicable tax treaty.

Capital gain on transfer of Foreign Exchange Assets, not to be charged in certain cases

- Under provisions of Section 115F of the Income Tax Act, 1961, long term capital gains (not covered under Section 10(38) of the Act) arising to a non resident Indian from the transfer of shares of the Company subscribed to in convertible Foreign Exchange shall be exempt from Income Tax if the net consideration is reinvested in specified assets within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within three years from the date of their acquisition.

Return of Income not to be filed in certain cases

- Under provisions of Section 115G of the Income Tax Act, 1961, it shall not be necessary for a Non-Resident Indian to furnish his return of Income if his only source of income is investment income or long term capital gains or both arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from.

Other Provisions

- Under Section 115-1 of the Income Tax Act, 1961, a Non-Resident Indian may elect not to be governed by the provisions of Chapter XII-A for any Assessment Year by furnishing his Return of Income under Section 139 of the Income Tax Act declaring therein that the provisions of the Chapter shall not apply to him for that assessment year and if he does so the provisions of this chapter shall not apply to him instead the other provisions of the Act shall apply.

- Under the first proviso to Section 48 of the Income Tax Act, 1961, in case of a non-resident, in computing the capital gains arising from transfer of shares of the Company acquired in convertible foreign exchange (as per exchange control regulations) protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case.

- Under Section 54EC of the Income Tax Act, 1961 and subject to the conditions and to the extent specified therein, long term capital gains (not covered under section 10(38) of the Act) arising on the transfer of shares of the Company will be exempt from capital gains tax if the capital gain upto Rs.50 lacs are invested within a period of six months from the date of transfer in "Long Term specified assets". If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets *are* transferred or converted within three years from the date of their acquisition.

- Under Section 54F of the Income Tax Act, 1961 and subject to the conditions and to the extent specified therein, long term capital gains (in cases not covered under section 10(38) of the Act) arising to an individual or Hindu Undivided Family (HUF) on transfer of shares of the Company will be exempt from capital gain tax subject to other conditions, if the net sales consideration from such shares *are* used for purchase of residential house property within a period of one year before and two year after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.

  If any part of the Capital gain is reinvested the exemption will be reduced proportionately. The amount so exempted shall be chargeable to tax subsequently, if residential property is transferred within a period of three years from the date of purchase/construction. Similarly, if the shareholder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house, the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired.

4. Foreign Institutional Investors (FIIs)

- By virtue of Section 10(34) of the IT Act, income earned by way of dividend income as referred to in Section 115-0 of the IT Act, are exempt from tax in the hands of the institutional investor, subject to provisions of section 14A and rules framed there under wherever applicable.

- The income by way of short term capital gains or long term capital gains (not covered under Section 10(38) of the Act) realized by FIIs on sale of shares in the Company would be taxed at the following rates" as per Section 115AD of the Income Tax Act, 1961.

  * Short term capital gains 30% (plus applicable surcharge and education cess) and 15% (plus applicable. surcharge and education cess) if transaction for the sale is subject to security transaction tax.

  * Long term capital gains - 10% (without cost indexation plus applicable surcharge and education cess) and 20% (plus applicable surcharge and education cess) with indexation benefit.

  (shares held in a company would be considered as a long term capital asset provided they are held for a period exceeding 12 months).

- Under Section 54EC of the Income Tax Act, 1961 and subject to the conditions and to the extent specified therein, long term capital gains (not covered under section 10(38) of the Act) arising on the transfer of shares of the Company will be exempt from capital gains tax if the capital gain are invested within a period of 6 months after the date of such transfer for a period of 3 years in "Long term specified assets". If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred *or* converted within three years from the date of their acquisition.

- As per section 90(2) of the Act, the provision of the Act would prevail over the provision of the tax treaty to the extent they are more beneficial to the Non Resident. Thus, a Non Resident can opt to be governed by the beneficial provisions of an applicable tax treaty.

5. Venture Capital Companies / Funds

In terms of Section 10 (23FB) of the Income Tax Act, 1961, all Venture Capital Companies / Funds registered with Securities and Exchange Board- of India, subject to the conditions specified, *are* eligible for exemption from income tax on all their income, including income from dividend.

B.2 Under the Wealth Tax Act, 1957

Shares of the Company held by the shareholder will not be treated as an asset within the meaning of Section 2 (ea) of Wealth Tax Act, 1957; hence Wealth Tax Act will not be applicable.

Notes:

- All the above benefits are as per the current tax law as amended by the Finance Act, 2010 and will be available only to the sole/first named holder in case the shares *are* held by joint holders

- In respect of non residents, taxability of capital gains mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreements, if any, between India and the country in which the non-resident has fiscal domicile.

- In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the scheme.

- The above statement of possible direct taxes benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.

SECTION IV – ABOUT THE COMPANY

INDUSTRY

The information presented in this section has been extracted from publicly available documents and reports prepared by third party consultants, which have not been prepared or independently verified by the Company, the Book Running Lead Managers or any of their respective affiliates or advisors. Certain data has been reclassified for the purpose of presentation and much of the available information is based on best estimates and should therefore be regarded as indicative only and treated with appropriate caution. Certain financial and other numerical amounts specified in this section have been subject to rounding adjustments; figures shown as totals may not be the arithmetic aggregation of the figures which precede them. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information. Industry sources and publications are also prepared based on information as on specific dates and may no longer be current.

Overview of the Indian Economy

With a GDP of US$1.23 trillion, India is, according to the CIA Factbook, the world's fourth largest economy in Purchasing Power Parity (PPP) terms (the GDP in PPP terms is estimated at approximately US$3.2 trillion) and the fifth largest energy consumer in the world. India is now one of the fastest growing economies in the world. According to the Central Statistical Organization's ("CSO") India's GDP grew at a rate of 7.4% in the fiscal year 2010. However, due to India's high population of approximately 1.1 billion, the per-capita consumption of most energy related products is extremely low. According to the GoI's Bureau of Energy Efficiency, the per capita energy consumption is estimated to be a very modest 530 kg of oil equivalent ("kgoe") while the world average is approximately 1,800 kgoe. Per-capita incomes, in turn, were estimated at US$ 2,800 in 2008 in PPP terms.

Overview of the Engineering and Construction Industry

Engineering and construction activity is integral to the energy industry, infrastructure, and industrial development and involves engineering construction services for pipelines, storage terminals and processing facilities, urban infrastructure, townships, highways, bridges, roads, railroads, ports, airports, and power systems. A significant part of the global engineering and construction activity is concentrated in the oil and gas industry, the power sector and the metals and mining sector and is dominated by a few industry majors.

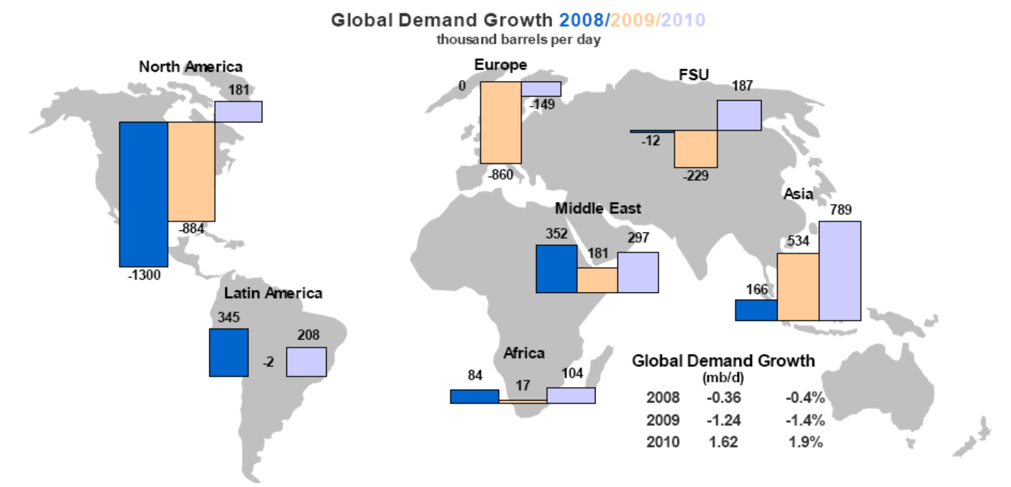
Global Oil and Gas Industry

According to the International Energy Outlook, May 2009 ("IEA 2009") demand for liquid fuels and other petroleum (which include petroleum-derived fuels and non-petroleum-derived fuels, such as ethanol and biodiesel, coal-to-liquids, gas-to-liquids, natural gas liquids, crude oil consumed as a fuel, and liquid hydrogen) is projected to increase from 85.0 million barrels per day ("bbl/d") in 2006 to 106.6 million bbl/d in 2030, even if world oil prices remain above $100 per barrel (in real 2007 dollar terms) from 2013 until 2030. World liquids production in 2030 is projected to exceed the 2006 levels by 22 million bbl/d. Liquids are expected to remain the world's dominant energy source between 2006 to 2030, given their importance in the transportation and industrial end-use sectors.

Demand for engineering construction services in the oil and gas industry is dependent on the level of exploration, production, storage, refining and transportation activity in this industry and the corresponding capital spending by oil and gas conglomerates. Construction projects in the oil and gas industry include exploration rigs and platforms, refineries and other processing facilities, tanks and terminals for storage of oil and gas and derivative products and pipelines for transportation of such products.

Construction in the energy sector is directly linked to the level of exploration activities, transportation of oil and natural gas and refining/processing of oil and gas globally. The level of these activities is in turn primarily dependent on current and anticipated oil and natural gas prices. The supply and demand for oil and natural gas and general economic conditions are crucial indices that determine these prices.

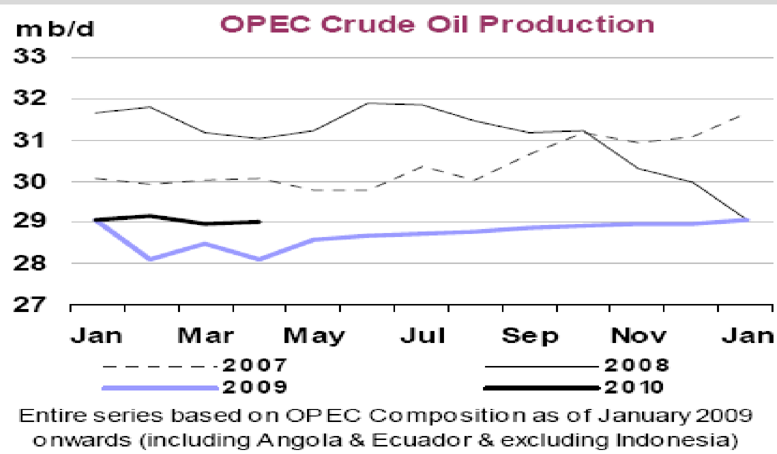
The following chart shows the distribution of demand growth across geographies:



Source: IEA Oil Market Report- May 2010.

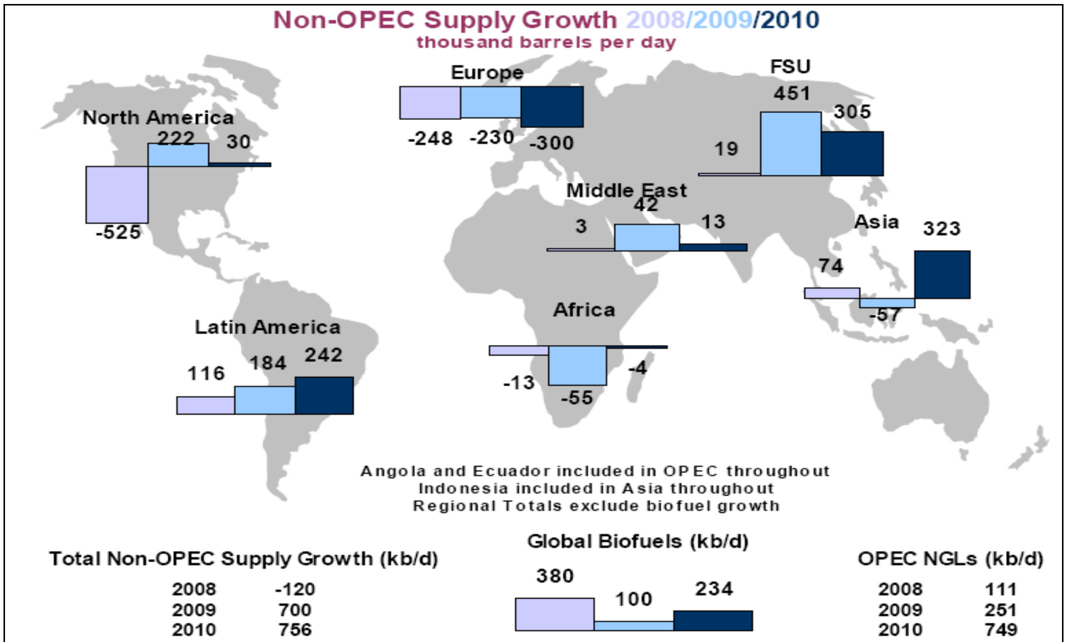
On the supply side, OPEC has reported lower production levels in 2010 compared to 2007 and 2008, however, production rose steadily during the latter half of 2009 through February 2010, with a relatively marginal decrease in March 2010 as compared to last year.

OPEC Crude Oil Production (million barrels per day)



Source: IEA Oil Market Report- May 2010.

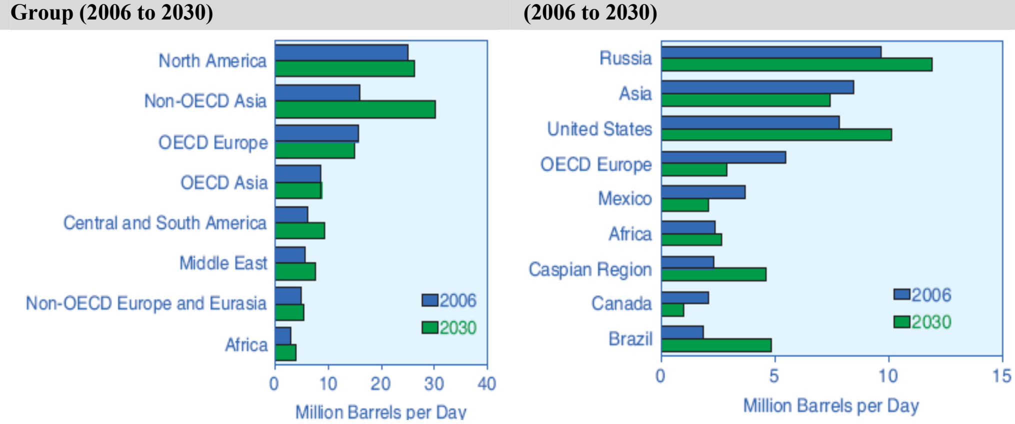
Non-OPEC supply has grown during the past two years following a decline in 2008:



Source: IEA Oil Market Report- May 2010.

The following chart shows the projected consumption and production by country and group between 2006 and 2030:

World Liquids Consumption by Country and Group (2006 to 2030) | **World Liquids Production by Country and Group (2006 to 2030)**



Legend:
- Organization for Economic Cooperation and Development members (OECD) and non-members (non-OECD).

Source: IEA 2009

Indian Oil and Gas Industry

The development of the Indian oil and gas industry traces its beginnings to the nineteenth century with the initial discovery of oil in Digboi, Assam in the northeast of India by the Assam Railway and Trading Company. Following independence, GoI made accelerated development of the oil and gas sector a major priority, given the industry's strategic significance for industrial development and defence. In the 1950s, the GoI entered the oil and gas sector by establishing an exploration and development entity, the Oil and Natural Gas Directorate in 1955, thus creating state-owned refinery companies (Indian Refineries Limited in 1958 and Indian Oil Company Limited in 1959, which were merged to form the Indian Oil Corporation Limited in 1964) and forming exploration and development joint ventures with existing domestic and foreign oil and gas companies (establishing Oil India Limited with the Burma Oil Company and the Assam Oil Company and Indo-Stanvac Petroleum Company Limited, a joint venture between the GoI and Standard Vacuum Oil Company).

Beginning in the early 1990s, as India's reliance on oil imports rose, the GoI embarked on a series of reforms aimed at partially deregulating the oil and gas sector, with a goal of rationalising the industry, improving efficiency, reducing the cost of government subsidies and encouraging private sector investment. Important measures included opening the refining, exploration and production segments to private investment, permitting the sale of limited amounts of LPG and kerosene by private entities outside of the state-owned distribution channels, and allowing foreign oil companies to enter the domestic lubricant market. Perhaps most significantly, in the late 1990s the GoI began deregulating the refining business and adopted a phased lifting of price controls on the entire range of petroleum products. This was fully implemented by April 2002, except in the cases of natural gas, LPG and kerosene, and to a lesser extent in respect of HSD and motor spirit, the prices of which are not controlled, but which are sold at prices below cost, by public sector oil companies, supported by government subsidies.

India's economic growth has led to the primary energy consumption growth at a compounded average growth rate ("CAGR") of over 6.0% from 2004 to 2008. (Source: BP Statistics 2009) While overall primary energy consumption has increased, per capita consumption remains below that of more developed countries. According to the India Hydrocarbon Vision 2025 report of February 2000, oil and gas will continue to play a pre-eminent role in meeting India's energy requirements. Further, oil and gas are projected to account for approximately 30% and 25%, and 14% and 20% of the energy supply mix in India for the periods 2010-2011 and 2024-25, respectively. Additionally, India's refining capacity is projected to increase from 167 million metric tonnes ("MMT") during the period 2006-2007 to 184 MMT during the period 2011-2012 and 358 MMT during the period 2024-2025.

According to BP Statistical Review of World Energy 2010, India in 2009 was the world's fourth largest consumer of energy, behind the United States, China and Russia. Oil's share of the energy mix has remained relatively stable, representing 34.8% of the total primary energy consumption in 2008. According to IEA 2009, gas is currently a minor fuel in the overall energy mix in India, however, gas consumption is expected to grow at 4.2% per year on average between 2006 and 2030.

Indian Exploration and Production

The first step in oil and gas exploration is identifying the prospective site for oil or gas production. For this, a variety of techniques are utilized, including core sampling (physically removing and testing a cross-section of the rock) and seismic testing, where return vibrations from shockwaves are measured and calibrated. After these exploratory tests, drilling commences to confirm the presence of oil or gas.

The main infrastructure development activities relating to the exploration and development sector are building up process platforms, laying of pipelines, oil and gas collecting stations and other surface facilities for evacuation of crude oil and natural gas from field areas to delivery points. Infrastructure development activities in the exploration and development sector are highly dependent on the location of oil and gas fields either onland or offshore, size of the reservoir, prevailing prices of crude oil and natural gas as well as techno-economic consideration of the development plan of the discoveries. *(Source: Report of the Working Group on Petroleum and Natural Gas for the Eleventh Plan (2007-2012, November 2006 ("Working Group Report 2006"))*

Once a site is identified, a development plan is established, equipment necessary to produce commercially recoverable oil and gas in the field is installed and development wells are drilled. Following the development of a well site, production commences.

The Directorate General of Hydrocarbons, Ministry of Petroleum and Natural Gas ("MoPNG"), bears the responsibility of managing the various activities with regard to Indian exploration and production acreages, such as awarding blocks, executing production sharing contracts ("PSCs") and monitoring developments. India has an estimated sedimentary area of 3.14 million square kilometres, comprising 26 sedimentary basins, of which 1.35 million square kilometres is in deep water and 1.79 million square kilometres is onland shallow offshore. Currently, 1.06 million square kilometres is under active petroleum exploration licenses ("PELs") in 18 basins by national oil companies and private/joint venture companies and a total of 35,601 square kilometres is under mining leases ("MLs"). Operations are being carried out by national and private oil companies in 597 concessions, of which 259 are under PELs and 338 are under MLs. *(Source: Directorate General of Hydrocarbons website accessed on June 7, 2010)*

Between 2004 and 2009, 555 exploratory drills and 1,116 development drills were drilled in India, which together had a total meterage of 4,142 thousand meters. The following table sets forth the number of exploratory and development wells drilled in India as well as the meterage of such wells for the periods stated:

Exploratory and Development Drilling – Number of Wells and Meterage Drilled

Type/Area	2004-2005		2005-2006		2006-2007		2007-2008		2008-2009*		2004-2009*	
	Wells (No.)	Meters (Thousands)	Wells (No.)	Meters (Thousands)	Wells (No.)	Meters (Thousands)	Wells (No.)	Meters (Thousands)	Wells (No.)	Meters (Thousands)	Wells (No.)	Meters (Thousands)
Exploratory												
Onshore	84	217	82	236	74	187	79	209	90**	243	409	1,092
Offshore	33	112	32	106	22	76	27	84	32	97	146	475
Total	**117**	**329**	**114**	**342**	**96**	**263**	**106**	**293**	**122**	**340**	**555**	**1,567**
Development												
Onshore	180	399	145	322	157	354	192	405	210**	393	884	1,873
Offshore	36	111	42	137	44	125	61	174	49	155	232	702
Total	**216**	**510**	**187**	**459**	**201**	**479**	**253**	**579**	**259**	**548**	**1,116**	**2,575**
Grand Total	**333**	**839**	**301**	**801**	**297**	**742**	**359**	**872**	**381**	**888**	**1,671**	**4,142**

* Provisional as to 2009 numbers; ** Includes party drilled wells

Source: "Basic Statistics on Indian Petroleum and Natural Gas, 2008-09," Ministry of Petroleum & Natural Gas, GoI

The following table shows total crude oil and natural gas production in India during the periods indicated:

Production of Crude Oil and Natural Gas

Area	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009*
Crude Oil			(million barrels)		
Onshore	84.95	83.78	83.02	82.19	82.64
Offshore	164.13	152.17	166.11	167.89	162.96
Total	**249.08**	**235.95**	**249.13**	**250.08**	**245.60**
Natural Gas			(million cubic meters)		
Onshore	9,094	9,578	9,272	9,099	8,763
Offshore	22,669	22,624	22,475	23,318	24,086
Total	**31,763**	**32,202**	**31,747**	**32,417**	**32,849**

* Provisional numbers

Converted using a conversion factor of 1MMT = 7.33 million barrels.

Source: "Basic Statistics on Indian Petroleum and Natural Gas, 2008-09," Ministry of Petroleum & Natural Gas, GoI

NELP Regime

Until the beginning of the early 1990s, the GoI through the MoPNG, nominated certain nationalized oil and gas companies for exploration and production of oil and gas India. During this period the GoI entered into nomination PSCs with national oil companies on an ad-hoc basis. From 1991 to 1997, the GoI followed the auctioning round, which allowed for 100.0% foreign direct investment in the exploration and production sector in India. These are now popularly referred to as the "Pre-NELP rounds". During the Pre-NELP rounds, the GoI entered into PSCs on a case-to-case basis as there was no notified policy or framework pursuant to which the GoI granted acreages. In the year 1998, the GoI formulated a comprehensive policy for inviting investments by nationalized and private participants. The policy was notified in February 1999 as the "New Exploration Licensing Policy", or NELP. Under the NELP, participants were offered exploration blocks for carrying out exploration and production activities in India. The thrust of NELP was to ensure a level playing field between the national oil companies and the private participants. Eight rounds of bidding have been successfully concluded under the NELP. After the seventh NELP round, 203 PSCs have been signed and the area awarded under NELP for exploration was 46.0% of the Indian sedimentary basin area (Source: Economic Editors' Conference, November 4, 2009, MoPNG (Economic and Statistics Division), GoI). The eighth NELP round was launched in April 2009 in which a total of 70 exploration blocks comprising 24 deepwater blocks, 28 shallow water blocks and 18 on-land blocks were offered. According to the MoPNG Annual Report, 2008-09, these 70 blocks cover a sedimentary area of approximately 164,000 square kilometres, approximately 5.2% of India's sedimentary basin area. Only 36 of the 70 blocks offered under the eighth NELP round have received bids, and no PSCs have been signed so far. The economic slowdown has prompted cuts in exploration spending, which is believed to have led to lower participation, especially from international participants. Prior to the implementation of NELP, 28 exploration blocks were awarded to different parties under a joint venture scheme.

According to the data published by MoPNG's Economic and Statistics Division, as of April 1, 2009, expected investment made by Indian and foreign companies in the NELP rounds was approximately U.S.$11.9 billion, of which U.S.$5.5 billion was invested on hydrocarbon exploration and U.S.$6.4 billion was invested on development and discoveries. As of April 2009, India had total reserves of 775 MMT of oil and 1,074 billion cubic meters ("BCM") of natural gas *(Source: Basic Statistics on Indian Petroleum and Natural Gas, 2008-09, MoPNG, GoI)*.

Indian Oil and Gas Infrastructure

The strong growth of the Indian economy and infrastructure, and the resulting increased demand in the energy industry has resulted in the need to develop an efficient distribution network for oil and natural gas transportation. The use of natural gas in the energy industry has been gaining significance in the Indian market with its share in the primary energy market projected to rise to 9% for the fiscal year 2009. According to provisional data released by the MoPNG's Basic Statistics on Indian Petroleum and Natural Gas, for 2008-2009, natural gas is utilized primarily for power generation (29.3%), in the fertilizer industry (21.1%), sponge iron use (15.7%), as an industrial fuel (13.8%) and for captive use or LPG shrinkage (13.3%). According to the MoPNG Annual Report 2008-2009, during the fiscal year 2009, gas production was 32.9 BCM. Further, gas production in the fiscal year 2010 is targeted to be 52.1 BCM and is likely to be doubled by the end of the Eleventh Five Year Plan period.

According to the Working Group Report 2006, under normal and optimistic scenarios, the total natural gas supply from international and domestic sources is projected to 191.42 million metric standard cubic meter per day ("MMSCMD") and 285.42 MMSCMD, respectively, by the end of 2012. This projected trend in supply supported by a strong demand will require parallel investments in the building of re-gasification and pipeline transmission and distribution infrastructure to facilitate faster monetization of gas reserves, ensure smooth flow of LNG supplies into India and to reach a wide spectrum of consumers across India. The key growth drivers for the Indian gas market are gas pricing, infrastructure, regulation and end-use sector reforms.

The current low per capita usage of pipes in India, the recent discovery of large oil and gas reserves in various parts of the country, the GoI's decision to permit oil retailing by the private sector and the proposed national pipeline grid formulated by GAIL, and infrastructure development projects of other major players in the energy industry in India are expected to increase engineering construction activity in the Indian energy industry.

In response to GoI's recent privatization initiatives, large oil and natural gas companies in India including IOCL, RIL, Essar Oil, BPCL and ONGC have commenced oil and natural gas exploration and transportation projects. Certain of these companies also propose to establish dedicated distribution networks. More specifically, investment in oil and natural gas pipeline infrastructure in India is likely to be influenced by the GoI's decision to permit oil retailing by the private sector. ONGC has also recently received the GoI's approval for setting up retail outlets. These are expected to result in an extensive pipeline infrastructure to cater to these retail outlets. In addition, BPCL proposes to expand its existing Mumbai-Manmad-Indore oil pipeline to Delhi to cater to the demand in north India, which accounts for a significant portion of India's product demand. Further many companies have planned to set up pan–India pipelines, to take advantage of the significant increase in supply volumes of gas expected over the period between the fiscal 2010 and 2023. According to the Working Group Report 2006, GAIL has also drawn up major plans for creation of the inter-state transmission grid in line with the emergence of gas sources on the west and east coasts of India. The total investments of GAIL for creation of pipeline infrastructure in the Eleventh Five Year Plan period (2007-2012) is expected to be Rs.111.2 billion. Besides GAIL, there are other private players who have obtained right of usage ("RoU") and planned some inter-state pipelines. The total expected investment in these inter-state pipelines is about Rs.210.0 billion.

Refining in India

According to “Basic Statistics on Indian Petroleum & Natural Gas, 2008-09,” a report of the MoPNG, the domestic crude oil refining sector consists of 10 companies operating a total of 20 refineries, with a combined annual installed capacity, as at January 4, 2009, of 177.97 mmt p.a., and capacity additions of 23.88 mmt p.a. have been planned during the Eleventh Five Year Plan period (2007-2012) in these existing refineries. Additionally, during the Eleventh Five Year Plan period (2007-2012), 54.00 mmt p.a. capacity addition is planned under new refineries to be set up by companies such as IOCL, Essar Oil Limited (“Essar”) and HPCL-Mittal Energy Limited (“HMEL”). With the exception of Reliance Industries Limited (“RIL”) and Essar, all of the domestic refiners are public sector enterprises. The domestic refining sector has undergone significant consolidation beginning in 2001, as several refining companies lacking marketing and distribution operations have been acquired by other domestic oil and gas companies pursuing a vertical integration strategy.

Prior to 2000, domestic demand for most refined petroleum products exceeded domestic supply, with the resulting net deficit met through imports. However, following large increases in refining capacity resulting from the construction of new refineries and upgrades at existing refineries, domestic refining capacity now exceeds domestic demand for refined petroleum products, other than LPG, kerosene and, to a lesser extent, HSD. Construction of additional refineries and capacity upgrades at existing refineries are set to continue and the planned increase in capacity, against domestic demand, suggests India’s refined product exports are set to rise. However, as some of the new refineries have been set up as export oriented units or are within special economic zones, they may have an obligation to export their refined petroleum products, thereby reducing the supply in the domestic market. This is supported by provisional figures released by the GoI for 2008-2009. Despite a decline in the export of petroleum to 36.93 mmt in 2008-2009 as compared to 40.78 mmt in 2007-2008, there were still imports of over 18.29 mmt of petroleum products last year, indicating that a shortage in supply in the domestic market still existed. However, based on current and future refining capacity, India is expected to continue to be a net exporter of refined petroleum products in the near future. *(Source: “Basic Statistics on Indian Petroleum and Natural Gas, 2008-09,” MoPNG)*

Mining and Metallurgy Sector

India

The geological and metallogenic history of India is similar to mineral rich Australia, South Africa, South America, and Antarctica, all of which formed a continuous landmass prior to the breaking up of Gondwanaland.

India has globally significant mineral resources: according to the Ministry of Mines 2008-09 Annual Report, India’s deposits of coal, bauxite and iron ore account for 10%, 4% and 3% of the world’s total resources, and its coal, bauxite, iron, barite, chromium, limestone and manganese deposits are among the 10 largest in the world by country. In terms of production, during 2009 India was among the leading producers in the world of mica (first), barite, chromium and talc (second), bauxite and coal (third), iron ore and kyanite (fourth), manganese ore and steel (fifth), zinc (seventh), and aluminum (eighth).

Growing global demand for minerals and metals, particularly in Asia, together with the GoI's policy reforms discussed below, are expected to result in new opportunities for Indian and foreign mining companies operating in India, which in turn is expected to lead to increased engineering construction activity in the Indian mining and metallurgy sector.

The total value of mineral production (excluding atomic minerals, natural gas and crude oil) in India grew at a compound annual growth rate of 8.8% from 2005 to the end of 2009 (based on 2008 revised figures and 2009 provisional figures).

The following table sets forth production values for selected minerals during the periods indicated and estimated production for 2009-2010:

Mineral Production Values (Rs. Crores)					
Mineral	**2005-2006**	**2006-2007**	**2007-2008***	**2008-2009****	**2009-2010 (E).**
All Minerals Below	**63,081.51**	**75,795.00**	**90,827.47**	**93,510.98**	**96,354.71**
Coal and Lignite	35,828.40	37,462.82	41,425.44	41,757.10	48,035.98
Metallic Minerals	13,891.16	18,285.80	29,335.76	31,533.17	27,571.16
Non-Metallic Minerals	2,894.61	3,351.46	3,371.33	3,525.78	4,052.63
Minor Minerals	10,467.36	16,694.93	16,694.93	16,694.93	16,694.93

* Revised figures; ** Provisional and based on available returns; E - Estimates

Source: Annexure 3.1 to National Mineral Scenario, Ministry of Mines, GoI

Aluminum

Aluminum is the most abundant metal in the earth's crust. In India, the electrical sector is the largest consumer of aluminum and the bulk of it is used in overhead conductors and power cables. Global aluminum production is forecast to increase by approximately 2% (38.5 million tonnes) in 2010. The global aluminum consumption in 2008 and 2009 was 37.7 million tonnes and 34.3 million tonnes respectively. India produced 1.2 million tonnes of aluminum in 2008 and 1.3 million tonnes in 2009 which approximately 3% of world aluminum production. *(Source: Ministry of Mines, Annual Report 2009-2010)*

Copper

Copper is a base metal of strategic importance and is an essential component of energy efficient motors and transformers. Copper is used in sectors such as defense, space programme, railways, power cables, and telecommunication cables. At present, the demand for copper minerals for primary copper production is met through two sources i.e. copper ore mined from indigenous mines and imported concentrates. The major players in the industry produced 523,942 tonnes during 2009-2010 (data up to December 2009), which is lower than the installed capacity of 949,500 tonnes (excluding 50,000 tonnes from the secondary route through Jagadia Copper Limited). *(Source: Ministry of Mines, Annual Report 2009-2010)*

Lead and Zinc

Lead and zinc are freely importable as per the import policy of the GoI. The production of zinc is more than its consumption in India, however, there appears to be shortage of lead in India as its production is less than its consumption. The production of primary lead metal was 60,000 tonnes and that of primary zinc metal was 579,000 tonnes in 2008-2009; whereas the consumption of lead was 257,000 tonnes and zinc was 464,000 tonnes in fiscal 2009. *(Source: Ministry of Mines, Annual Report 2009-2010)*

Other Geographies

Bahrain

In 2007, Bahrain's total merchandise export earnings provisionally were valued at about US$13.6 billion, of which refined petroleum accounted for the bulk of its earnings, exports of base metals (primarily aluminum) were valued at approximately $1.4 billion, and exports of cement, dimension stone, and precious metals and stones were valued at approximately $17.0 million. Minerals and mineral-based commodities produced in Bahrain include aggregate; cement, which was produced from imported clinker; fertilizers (ammonia and urea), methanol, sand, and sulfur. Aluminium Bahrain B.S.C.'s ("Alba") output from it's five potlines regularly exceeded the smelter's nominal production capacity. Alba continued to evaluate the proposed sixth potline, which would increase the smelter's total capacity by an additional 320,000 to 350,000 metric tonnes per year. However, the lack of a dedicated source of natural gas to provide power for the new line remained a major impediment to the project's development. *(Source: U.S. Geological Survey, Yearbook 2007)*

Saudi Arabia

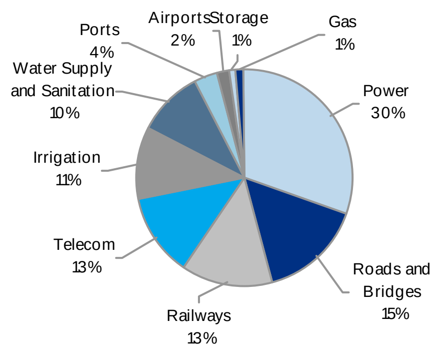
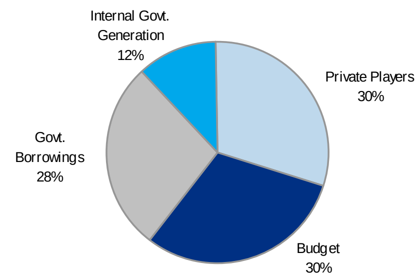
Besides oil, a variety of industrial minerals and metals were also produced in Saudi Arabia. Significant increases in production volume in 2008 were posted for copper, lead, and zinc, which were co-products of the Al Amar gold mine located southwest of Riyadh. Further, Emirates Aluminium Company Ltd. PSJC, of the United Arab Emirates have proposed to build a 700,000 tonne per year capacity aluminum smelter in the planned King Abdullah Economic City. In the long term, Saudi Arabia's privatization program and encouragement of private investment in mineral projects is expected to be attractive to international investors. Significant infrastructure development, which includes the establishment of new cities and the expansion of the highway and railroad network, will likely raise the short-term demand for construction minerals and products, such as cement, glass, sand, steel, and stone. *(Source: U.S. Geological Survey, Yearbook 2008)*

Indian Construction Industry

The Indian construction industry sector is witnessing high growth spurred by the large spends on ongoing infrastructure development projects. The nodal agencies for sectors intrinsic to the Indian construction industry and the GoI have ambitious infrastructure development plans. Indian engineering and construction companies have recorded high growth rates in recent years from significant activity in the power sector, transportation, petroleum and urban infrastructure. In recent years, GoI's focus and sustained increased budgetary allocation and increased funding by international and multilateral development finance institutions for infrastructure development in India has resulted in or is expected to result in several large infrastructure projects in this region. According the Planning Commission's report on Projections of Investment in Infrastructure during the Eleventh Plan, August 2008, the Eleventh Five Year Plan envisages a total investment of US$ 514 billion in the infrastructure sector to bridge the infrastructure deficit and sustain a growth momentum of 9% per annum.

Relevant Infrastructure Sectors in India

GoI's focus and sustained increased budgetary allocation and increased funding by international and multilateral development finance institutions for infrastructure development in India has resulted in or is expected to result in several large infrastructure projects in this region. GoI has developed various alternate sources of fund raising for infrastructure projects, including the levy of cess on petrol and diesel, which is being used to fund the road projects such as the Golden Quadrilateral and the North-South-East-West corridors. GoI is actively engaged in raising funds from multi-lateral financial development institutions such as the World Bank, IFC and Asian Development Bank, to promote various projects in India. There are also various initiatives being taken to encourage private sector participation, such as tax breaks for investments in infrastructure. It has also devised return schemes attractive to private participants, such as annuity payments and capital gains tax incentives in road projects.

Estimated Investments in Key Infrastructure Sectors During Eleventh Five Year Plan period	**Expected Funding Pattern During Eleventh Five Year Plan period**
	

Source: Website, Committee on Infrastructure, GoI. Planned Infrastructure outlay of c.US$500 billion.

According to the Confederation of Indian Industry's website, the index for six core industries—crude oil, petroleum refinery products, coal, electricity, cement and finished carbon steel—has grown by 2.9% in fiscal 2009 over fiscal 2008. The GoI is targeting an investment of US$20.38 billion over the next two years in the infrastructure sector. The scheme aims to take up infrastructure projects under public-private partnership ("PPP") with minimal private investment. Over a period of time, the GoI has taken several initiatives to accommodate and accelerate private investments in the infrastructure sector. These include sector specific policies, providing incentives and tax holidays to attract private investments, permission of 100% FDI in the infrastructure sector, special provision of viability gap funding and the PPP approach. While infrastructure development is considered as one of the top priorities in India, the pace of growth in infrastructure has not been commensurate to the demands and it continues to pose a major bottleneck and a challenge for the country.

Power Sector in India

As per the Ministry of Power, GoI, total India installed capacity for electrical power generation was 157,229 MW as on February 28, 2010. This total capacity consisted of 100,598 MW of thermal based power, 36,863 MW of hydro power, 4,340 MW of nuclear power and 15,427 MW of renewable energy. GoI has set a target of additional power generation during the Eleventh Five Year Plan period (2007-12) of 90,000 MW (revised upwards from the previous figure of 78,577MW). *(Source: Website, Ministry of Power, GoI).*

Continued economic development, lifestyle changes and a growing population are increasing the demand for energy in India. According to the Integrated Energy Policy of the Planning Commission of India, 2006, in order to deliver a sustained growth rate of 8.0% through 2031-2032, India needs to increase its electricity generation capacity by at least five to six times based on 2003-2004 levels. The power sector has been a key driver of GoI's infrastructure push, accounting for a large share of infrastructure contracts awarded by GoI in the current calendar year.

Power Shortage in India

The Indian power sector has historically been beset by energy shortages which have been rising over the years. In fiscal 2010, peak energy deficit was estimated to be at 13.3% and the total energy deficit was estimated to be 10.1%. The following table provides the peak and normative shortages of power in India from 2003 to March 2010:

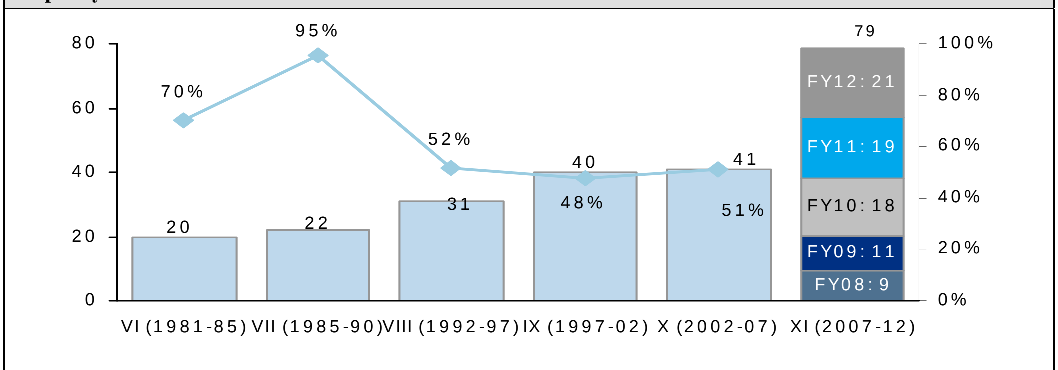
	Peak Demand (MW)	Peak Met (MW)	Peak Deficit/ Surplus (MW)	Peak Deficit/ Surplus (%)	Power Requiremen t (MU)	Power Availability (MU)	Power Deficit/ Surplus (MU)	Power Deficit/ Surplus (%)
2002-03	81,492	71,547	-9,945	-12.2	545,983	497,890	-48,093	-8.8
2003-04	84,574	75,066	-9,508	-11.2	559,264	519,398	-39,866	-7.1
2004-05	87,906	77,652	-10,254	-11.7	591,373	548,115	-43,258	--7.3
2005-06	93,255	81,792	-11,463	-12.3	631,757	578,819	-52,938	-8.4
2006-07	100,715	86,818	-13,897	-13.8	690,587	624,495	-66,092	-9.6
2007-08	108,866	90,793	-18,073	-16.6	739,345	666,007	-73,338	-9.9
2008-09	109,809	96,685	-13,124	-12	774,324	689,021	-85,303	-11
2009-10	118,472	102,725	-15,748	-13.3	830,300	746,493	-83,807	-10.1

(Source: Central Electricity Authority, March 2010 Power Scenario)

Power for All by 2012 Plan

The Ministry of Power has set a goal - Mission 2012: Power for All. The per capita electricity consumption in India remains much lower than the world average and even lower than some of the developing Asian economies. The National Electricity Policy, however, mandates “Power for All” and increase in per capita annual consumption to 1,000 kWh by 2012. A comprehensive blueprint for power sector development has been prepared encompassing an integrated strategy with the objective of having reliable, quality power at optimum cost that is commercially viable to achieve a GDP growth rate of 8.0%. This mission would require that India’s installed generation capacity be increased to at least 200,000 MW by 2012 from the February 2010 level of 157,229 MW. The strategies to achieve the objectives would include focusing on power generation, transmission and distribution, regulation, financing, conservation and communication.

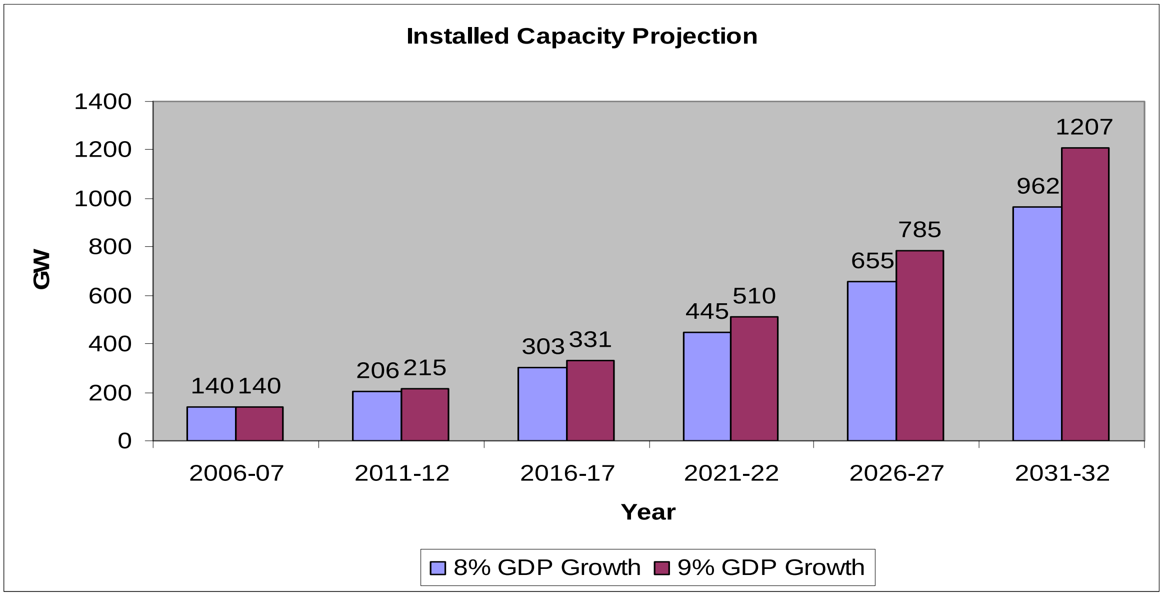
Capacity Addition



Source: Website, Ministry of Power, GoI

Projected Installed Capacity

As set forth below, the GoI has projected the required support level of installed capacity and electricity generation by 2031-2032 as 962 GW and 1,207 GW, based on GDP growth rates of 8.00% and 9.00%, respectively.



Source: Planning Commission's Integrated Energy Policy Report, August 2006

City Gas Distribution

The increase in gas supplies and gas transmission infrastructure is also likely to provide a boost to City Gas Distribution ("CGD") players. Currently, only a handful of major players are present in the sector, such as Indraprastha Gas, Mahanagar Gas, Gujarat Gas and GSPC Gas, which distribute piped natural gas and compressed natural gas to cities in Delhi, Mumbai and Gujarat, respectively. Other players are in the process of entering the CGD market and have drawn up ambitious plans to roll out city gas infrastructure across a number of cities. In particular, GAIL has formed joint ventures with other PSUs to distribute gas in some cities. With emphasis being laid on a cleaner environment and lower pollution levels in cities, CGD is expected to get a push in the coming years. States which are likely to see further activity include Uttar Pradesh, Maharashtra, Andhra Pradesh, Rajasthan, Karnataka, Kerala, Madhya Pradesh and West Bengal.

This CGD sector is another sector which has a high growth potential. World-wide, city gas distribution has grown hand in hand with the gas sector development in terms of supply infrastructure and transmission infrastructure. With the expected growth in the gas supply and the simultaneous creation of gas inter-state transmission infrastructure in India, this sector is bound to grow in the Eleventh Five Year Plan period (2007-2012). In line with this, various players, primarily led by GAIL, have drawn up ambitious plans to roll out city gas infrastructure across a number of cities in India. While this sector can be expected to grow at double digit rates in the later part of the Eleventh Five Year Plan period (2007-2012), assuming an annual growth of 8%, the demand is expected go up to about 12.93 MMSCMD, 13.83 MMSCMD, 14.8 MMSCMD and 15.83 MMSCMD in 2009, 2010, 2011 and 2012, respectively. *(Source: Working Group Report 2006)*

The gas sector would require large investments in setting up of terminals, pipeline infrastructure, processing facilities and city gas networks. It has been projected that around Rs. 400 billion would be required during the Eleventh Five Year Plan period (2007-2012) by the natural gas sector, of which the CGD sector is expected to account for Rs. 90 billion. The city gas distribution sector has simultaneously grown with the gas sector growth. *(Source: Working Group Report 2006)*

The establishment of the Petroleum and Natural Gas Regulatory Board ("PNGRB") is likely to help in developing the CGD sector. The board of the PNGRB is meant to regulate existing players, and promote the development of CGD networks in new cities. The PNGRB has begun the process of inviting applications for CGD licences in the country. These licenses are to be awarded through an open competitive bidding process, with there being a level playing field for both domestic and foreign entities.

Water

According to the Planning Commission's report on the Eleventh Five Year Plan period (2007-2012), India with 2.4% of the world's total area has 16.0% of the world's population; but has only 4.0% of the total available fresh water. The utilizable water resources of the country have been assessed at 1,123 billion cubic metres ("bcm"), of which 690 bcm is from surface water and 433 bcm from groundwater sources. Harnessing the 690 bcm of utilizable surface water is possible only if matching storages are built.

The requirement of water for various sectors was assessed by the National Commission on Integrated Water Resources Development ("NCIWRD") in 2000. This requirement is based on the assumption that the irrigation efficiency will increase to 60% from the present level of 35-40%. The standing committee of the Ministry of Water Resources, GoI, also assesses it periodically. The table below states the projected water requirement for the various sectors for the periods stated:

Water Requirement for Various Sectors

Sector	Water Demand in km³ (or bcm)					
	Standing Sub-Committee of MoWR			NCIWRD		
	2010	**2025**	**2050**	**2010**	**2025**	**2050**
Irrigation	688	910	1072	557	611	807
Drinking water	56	73	102	43	62	111
Industry	12	23	63	37	67	81
Energy	5	15	130	19	33	70
Others	52	72	80	54	70	111
Total	**813**	**1093**	**1447**	**710**	**843**	**1180**

Source: Planning Commission's Report on the Eleventh Five Year Plan period (2007-2012)

Solar Energy

Solar power is one of the fastest-growing sources of renewable energy worldwide. Many nations, concerned about the environmental impacts of electricity generation from fossil fuels or from large-scale hydroelectric plants, have been turning to solar power as an environmentally benign alternative. The solar energy that reaches the earth can be harnessed to generate electric power, and the potential for large-scale applications of solar power has improved markedly in recent years. Two solar power technologies—solar photovoltaic and solar thermal—are widely employed today, and their use is likely to increase in the future. Although prices for electricity from photovoltaics may not become widely competitive with wholesale prices for electricity from conventional generating technologies within the next 25 years, they may be competitive with high retail electricity prices in sunny regions. *(Source: IEA 2009)*

According to the Integrated Energy Policy, 2006, solar energy has a large potential in India. The average solar insolation in India is 6 kWh/meter/day. This can be exploited by many direct thermal applications such as for cooking, heating or in photovoltaic cells that directly convert sunlight to electricity. The conversion efficiency of commercially available photovoltaic cells in 2006 was less than 15.0%. With this efficiency the potential of covering five million hectares of land with photovoltaic cells is 1,200 Mtoe/ year. *(Source: Integrated Energy Policy, 2006)*

According to the Ministry of New and Renewable Energy's Annual Report 2009-2010, the GoI approved the "Jawaharlal Nehru National Solar Mission" ("JNNSM") in November 2009, which aims at development and deployment of solar energy technologies in India to achieve parity with grid power tariff by 2022 and also to create an enabling policy framework for the deployment of 20,000 MW of solar power by 2022. The GoI has also approved the implementation of the first phase of the JNNSM during 2009-2013 and targets to set up 1,000 MW grid connected (33 KV and above) solar plants, 100 MW of roof top and small solar plants connected to LT/11 KV grid and 200 MW capacity equivalent off-grid solar applications in the first phase of the mission by March 2013. An amount of Rs. 43,370 million has already been approved for the activities proposed under the first phase.

Nuclear Energy

Atomic energy is an important source of electric power due to its environmental advantages, and also because it is considered to be an economical source at power in the long term. According to the Planning Commission Report on the Eleventh Five Year Plan period (2007-2012), in 2006, India's nuclear energy installed capacity was 3,900 MW which was 3.1% of India's total installed capacity.

The Eleventh Five Year Plan period (2007-2012) power programme includes additions of 3,380 MW of nuclear power plants. Further, it is expected that the execution of nuclear projects will be liberalized to allow participation by other PSUs and by the private sector participants. The effect of this is likely to be visible in the Twelfth Five Year Plan period (2012-2017). NPCIL has indicated a capacity addition of about 11,000 MW during the Twelfth Five Year Plan period (2012-2017). *(Source: Planning Commission's Report on the Eleventh Five Year Plan period (2007-2012))*

Other Relevant Markets

Middle East

Most of the major projects in the Middle East hydrocarbons segment are backed by national oil companies, and are strategic to the growth of the respective economies. Regional oil & gas analysts believe the national oil companies will continue to invest in the downturn for two reasons: 1) in order to meet their long-term domestic objectives, governments/ national oil companies will be keen to proceed in establishing the necessary infrastructure to monetize their significant resource base and, hence fund development, and 2) once credit conditions begin to ease, the initial projects to receive funding are likely to be those backed by proven, tangible assets, such as Middle East oil and gas.

Investments in upstream sector should remain strong compared to projects in refinery or petrochemicals. As a large number of upstream projects are backed by governments, these are not likely to be cancelled. Moreover, a lot of infrastructure funds are providing bridge finance for government-backed projects, which should ease funding constraints for such contracts.

Oman

Oman's economy is heavily reliant on oil exports for revenue, though diversification into natural gas production has mitigated this to a degree. Roughly two-thirds of Oman's total energy consumption comes from natural gas and the remainder comes from oil, reflecting the country's relative abundance of oil and natural gas reserves. Oman's oil production increased slightly in 2008, after a fairly constant state of decline from the total oil liquids peak of 970,000 bbl/d in 2000. Oman produced an estimated 760,000 bbl/d of total oil liquids in 2008, about 6.0% more than 2007 levels. Enhanced oil recovery ("EOR") projects are the primary reason for Oman's production increase in 2008. Currently underway, the Mukhaizna EOR project, operated by Occidental Petroleum and UAE's Mubadala, began steam-flood operations in 2008. The EOR project has proven successful in raising Mukhaizna's production from 10,000 bbl/d in 2006 to approximately 50,000 bbl/d in 2008. Current plans call for raising Mukhaizna's production to 150,000 bbl/d by 2012. *(Source: United States Energy Information Administration, Independent Statistics and Analysis)*

Oman's natural gas production in 2008 is estimated at nearly 848 billion cubic feet ("Bcf"). Industry reports estimate that by 2013 production volumes could reach 1.2 trillion cubic feet ("Tcf"). Oman contracts with foreign companies to produce gas from technically challenging fields, such as "tight gas" believed to be in the Khazzan and Makarem fields in Oman's central interior. The Khazzan and

Makarem fields are estimated to contain significant volumes of natural gas; some estimates indicate that the two fields could nearly double Omani reserves. ***(Source: United States Energy Information Administration, Independent Statistics and Analysis)***

United Arab Emirates ("UAE")

Amidst the liquidity crisis and global recession woes, construction growth rates anticipated to slow down. Cement consumption in the UAE is a direct function of the size and growth of the construction sector. High liquidity from petroleum revenues, negative real interest rates, and the government's vision to diversify the economy from oil has fuelled an unprecedented level of construction in the last few years. Construction and cement consumption have grown at a rapid rate in the last few years. This growth is now deflating due to the current crises but is expected to stabilize.

Abu Dhabi leads the other emirates with 92.2 billion barrels of oil followed by Dubai with 4 billion barrels of oil, Sharjah with 1.5 billion barrels of oil, and Ras al Khaimah with 100.0 million barrels of oil. The largest state-owned company is the Abu Dhabi National Oil Company ("ADNOC"), which operates 17 subsidiary companies in the oil and natural gas sectors. Hydrocarbon production is handled on a production-sharing basis between state-owned companies and a few key major foreign investors. ***(Source: United States Energy Information Administration, Independent Statistics and Analysis)***

Abu Dhabi's Asab-3 project is aimed at increasing oil production from the Asab, Shah, and Sahil oil fields by 400,000 barrels per day ("bbl/d") from their current average of 1.4 million bbl/d, which is roughly half of the UAE's current production. Development of the offshore Nasr oil field project is part of the UAE's long-term plan to increase offshore oil production capacity from its current 1.1 million bbl/d to 1.75 million bbl/d by 2019. ***(Source: United States Energy Information Administration, Independent Statistics and Analysis)***

The UAE holds the sixth largest proven natural gas reserves in the world after Russia, Iran, Qatar, Saudi Arabia, and the United States. The largest reserves of 198.5 Tcf are located in Abu Dhabi. Sharjah, Dubai, and Ras al-Khaimah contain smaller reserves of 10.7 Tcf, 4.0 Tcf, and 1.2 Tcf, respectively. ***(Source: United States Energy Information Administration, Independent Statistics and Analysis)***

Qatar

Qatar is the world's largest producer of liquefied natural gas ("LNG"). It was also the fifteenth largest crude oil exporter in the world in 2008, and of the 12 OPEC members, ranked eleventh in crude oil exports in 2008. The onshore Dukhan field, located along the west coast of the peninsula, is Qatar's largest producing oil field. In 2008, Qatar produced approximately 1.2 million bbl/d of total liquids, roughly 850,000 bbl/d of crude and 350,000 bbl/d of non-crude liquids. Year-to-date 2009 production averages indicate Qatar produced an estimated 1.2 million bbl/d of total liquids (830,000 bbl/d of crude and 370,000 bbl/d of non-crude). ***(Source: United States Energy Information Administration, Independent Statistics and Analysis)***

Qatar holds almost 15.0% of total world natural gas reserves and has the third-largest reserves in the world behind Russia and Iran. The majority of Qatar's natural gas is located in the massive offshore North Field, the world's largest non-associated natural gas field. Qatar continues to expand natural gas production and in 2008, produced approximately 2.7 Tcf of natural gas, or more than five times the amount it produced in 1995. The expected increase in natural gas production will fuel the growing natural gas requirements of domestic industry, LNG export commitments, piped natural gas exports through the Dolphin pipeline, and several large-scale gas-to-liquids projects. ***(Source: United States Energy Information Administration, Independent Statistics and Analysis)***

Central and South America

Between 2006-2030, Central and South America's real GDP change is projected to be 3.7% per year. Further, energy consumption in Central and South America is projected to grow by 60.0%. In Central and South America, natural gas is the fastest- growing energy source, with demand projected to increase on average by 2.4% per year, from 4.5 Tcf in 2006 to a projected 8.1 Tcf in 2030. For Brazil, the region's largest economy, natural gas consumption is projected to more than double—from 0.7 Tcf in 2006 to a projected 1.8 Tcf in 2030. Several countries in the region are particularly intent on increasing the penetration of natural gas for power generation, in order to diversify electricity fuel mixes that currently are heavily reliant on hydropower (and thus vulnerable to drought) and reduce the use of more expensive oil-fired generation often used to supplement electricity supply. *(Source: IEA 2009)*

Brazil

In 2008, Brazil produced 2.4 million bbl/d of oil, of which 76.0% was crude oil. Brazil's oil production has risen steadily in recent years, with the country's oil production in 2008 about 150,000 bbl/d (6.0%) higher than 2007. State-controlled Petrobras is the dominant player in Brazil's oil sector, holding important positions in up-, mid-, and downstream activities. Petrobras controls almost all crude oil production in Brazil. The largest oil-production region of the Brazil is Rio de Janeiro state, which contains over 80.0% of Brazil's total production. *(Source: United States Energy Information Administration, Independent Statistics and Analysis)*

Despite Brazil's sizable natural gas reserves, natural gas production has grown slowly in recent years, mainly due to a lack of domestic transportation capacity and low domestic prices. In 2008, Brazil produced 446 Bcf of natural gas, mostly unchanged from 2007. Natural gas consumption is a small part of the Brazil's overall energy mix, constituting only 7.0% of total energy consumption in 2006. However, natural gas demand is rising: in 2008, Brazil consumed 835 Bcf of natural gas, up from 701 Bcf in 2007. In order to meet rising demand, Petrobas plans to bring several new natural gas projects online over the coming years. The largest is the Mexilhao project, which contains estimated total reserves of 3 Tcf. Current plans call for production to come online in May 2010 at 100 Bcf per year, eventually rising to 190 Bcf per year. *(Source: United States Energy Information Administration, Independent Statistics and Analysis)*

Venezuela

Venezuela is a significant supplier of crude oil to the world market. In 2008, Venezuela had net oil exports of 1.89 million bbl/d, eighth-largest in the world and the largest in the western hemisphere. In recent years, crude oil production in Venezuela has fallen, while domestic consumption has risen, causing a decline in net oil exports. Venezuela nationalized its oil industry in the 1970s, creating Petroleos de Venezuela S.A. ("PdVSA"), the country's state-run oil and natural gas company. The Energy Information Administration department estimates that Venezuela produced around 2.64 million bbl/d of oil in 2008, including crude oil, condensates, and natural gas liquids. Additionally, in 2008 it produced 848 Bcf of natural gas, while consuming 901 Bcf. An estimated 90.0% of Venezuela's natural gas reserves are associated, i.e. they occur along with oil reserves. *(Source: United States Energy Information Administration, Independent Statistics and Analysis)*

South East Asia

The outlook for key regions in South East Asia, including Singapore, Malaysia and Indonesia is not very positive. Economic activity in the region is likely to witness a sharp slowdown, due to the combined effect of a sharp export slowdown and large negative wealth effect. Private sector investment is likely to continue to remain weak, because of inventory stockpiling and a slowdown in capital goods production.

Singapore

Singapore has no domestic oil reserves. Despite its lack of domestic oil resources, Singapore is a major oil refining and trading hub. A shortage of oil storage space in Singapore has spurred expansion of the country's independent storage facilities. Singapore's major oil refineries hold 88 million barrels of storage capacity, or 88.0% of the country's total storage capacity. Singapore's independent storage operators have a total current capacity of 24.4 million barrels, although this number will grow as companies bring new facilities on line. Over the last five years Singapore's independent storage providers have reportedly been running at above 90.0% capacity. *(Source: United States Energy Information Administration, Independent Statistics and Analysis)*

Singapore imports all of its natural gas, which is mainly used for power generation and petrochemical production. In 2004 Singapore consumed 233 Bcf of natural gas, a greater than five-fold increase from the 2002 level of 41 Bcf. Natural gas use is rising rapidly with the government promotes policies aimed at reducing carbon dioxide and sulfur emissions, ensuring energy security, and promoting the country as a regional hub for an integrated gas pipeline network. In 2002, the government of Singapore set a target of 60.0% of the country's electricity to be generated from natural gas by 2012. *(Source: United States Energy Information Administration, Independent Statistics and Analysis)*

Africa

Between 2006 and 2030, Africa's average real GDP change is projected to be 4.0% per year between 2006 and 2030. Further, energy consumption in Africa is projected to grow by 50.0% between 2006 to 2030. Natural gas consumption is projected to grow by 3.2% between 2006 and 2030. There is very little infrastructure on the continent for intra-regional trade of natural gas, and Algeria, Nigeria, Egypt, and Libya—the major African producers—also are the major consumers. These four countries together with South Africa and Tunisia, accounted for 94.0% of Africa’s natural gas consumption in 2006. *(Source: IEA 2009)*

In 2008, Algeria produced 1.42 million bbl/d of crude oil. Algeria was the fourth largest crude oil producer in Africa after Nigeria (1.94 million bbl/d), Angola (1.89 million bbl/d), and Libya (1.7 million bbl/d) and the largest total oil liquids producer on the continent. Further, in addition to oil, Nigeria also holds the largest natural gas reserves in Africa but has limited infrastructure in place to develop the sector. Nigeria and Algeria continue to discuss the possibility of constructing a Trans-Saharan Gas Pipeline. The proposed 2,500-mile pipeline will carry natural gas from oil fields in Nigeria's Delta region to Algeria's Beni Saf export terminal on the Mediterranean. *(Source: United States Energy Information Administration, Independent Statistics and Analysis)*

OUR BUSINESS

Overview

We are an engineering consultancy company providing design, engineering, procurement, construction and integrated project management services, principally focused on the oil and gas and petrochemicals industries in India and internationally. We also operate in a diverse set of other sectors including non-ferrous mining and metallurgy and infrastructure. We are also a primary provider of engineering consultancy services for the GoI's energy security initiative under its Integrated Energy Policy for strategic crude storages.

Our services in these industries and sectors cover the entire spectrum of activities from concept to commissioning of a project. Our services include preparation of project feasibility reports, technology selection, project management, process design, basic and detailed engineering, procurement, inspection, project audit, supply chain management, cost engineering, planning and scheduling, facilitation of statutory and regulatory approvals for Indian projects, construction management, and commissioning. We also provide specialist services such as heat and mass transfer equipment design, environmental engineering services, specialist materials and maintenance services, energy conservation services, plant operation and safety services. We also execute projects on a turnkey basis.

We were incorporated in 1965 and have over the years developed a track record of working on landmark projects with various Indian and global energy majors. We have provided a range of engineering consultancy and project implementation services on more than 49 refinery projects, including eight greenfield refinery projects, seven petrochemical complexes, 35 oil and gas processing projects, 205 offshore platforms projects, 37 pipeline projects, 11 ports and storage and terminals projects, eight fertilizer projects and 26 mining and metallurgy projects. In the infrastructure space, we have provided a range of engineering consultancy services for more than 26 projects, including for airports, highways, flyovers, bridges, water and sewer management, as well as energy-efficient "intelligent" buildings. We have also completed 16 turnkey projects, including refinery and petrochemicals projects and offshore platforms.

Our business is aligned into two principal operating segments: the Consultancy and Engineering segment and the Lumpsum Turnkey Projects segment. Projects on which we provide engineering consultancy and project management and implementation services are included in the Consultancy and Engineering segment. Projects that we undertake on a turnkey basis are included in our Lumpsum Turnkey Projects segment.

We have leveraged our track record in India to successfully expand our operations internationally, and have provided a wide range of engineering consultancy services on various international projects, particularly in the Middle East, North Africa and South East Asia. We have established strategic international offices in Abu Dhabi, London, Milan and Shanghai to expand our international operations.

We are a technology driven organization and have developed or have the right to license advanced technologies, which we license to our clients in the oil and gas, and petrochemical industries. We have established a sophisticated research and development center in Gurgaon. We have developed 30 process technologies either on our own or in collaboration with our clients and reputed research institutions. Our portfolio includes various technologies for petroleum refining, oil and gas processing and aromatics. We currently hold ten patents and have 20 pending patent applications relating to various process technologies and hardware developed by us.

We have a qualified and professional employee base with over 3,300 permanent employees as of March 31, 2010, including more than 2,730 employees with technical and professional qualifications. Our engineering and technology capabilities have enabled us to develop a technology driven project implementation profile and successfully integrate sophisticated design, engineering and construction methodologies with project management practices.

Our quality management systems have been certified ISO 9001-2008 by the Indian Register Quality System (IRQS) for all the areas of EIL's services. We are committed to adhering to corporate HSE policies and safe working practices in the implementation of our projects. We have received several awards and certifications from various clients in relation to our projects. For example, we achieved 81.86 million man hours worked without any "lost time accident" for the Panipat Refinery Expansion Project and 75 million man hours worked without any "lost time accident" for the Panipat Naptha Cracker Project, as certified by our client IOCL. We are also a principal panelist for the development of various safety standards for the Oil Industry Safety Directorate under the MoPNG.

Our total income increased at a CAGR of 47.28% from Rs.6,876.5 million in the year ended March 31, 2007 to Rs.21,969.6 million in the year ended March 31, 2010, while our profit after taxation, as restated, increased at a CAGR of 47.31 % from Rs.1,390.0 million in the year ended March 31, 2007 to Rs.4,443.4 million in the year ended March 31, 2010.

Our Order Book, comprising anticipated revenues from the unexecuted portions of existing contracts (including signed contracts for which all pre-conditions to entry into force have been met and letters of acceptance issued by the client prior to execution of the final contract) as of March 31, 2010, was Rs.62,368.4 million.

Brief History and Background

Our Company was incorporated on March 15, 1965 under the Companies Act as a private limited company under the name Engineers India Private Limited pursuant to a formation agreement dated November 20, 1964 and in accordance with a memorandum of agreement dated June 27, 1964 between the GoI and Bechtel International Corporation. In May 1967, we became a wholly-owned GoI enterprise. In 1996, the GoI disinvested approximately 6.0% of its shareholding in our Company and we became a public listed company.

Our Company has two wholly-owned subsidiaries, Certification Engineers International Limited and EIL Asia Pacific Sdn. Bhd. incorporated in India and Malaysia, respectively, and two strategic joint-venture companies, TEIL Projects Limited and Tecnimont EIL Emirates Consultores e Servico, LDA, incorporated in India and Portugal, respectively.

The table below provides an overview of milestones in our historical operations:

Calendar Year	Events
1965	• Set up as a joint venture between the GoI and Bechtel International Corporation.
1967	• Termination of the agreements with Bechtel International Corporation and acquisition of the equity shares held by it by the GoI. • Commenced work in the refineries segment.
1969	• Commenced work in the petrochemicals segment.
1973	• Commenced work in the metallurgy segment and international operations.
1975	• Entered into offshore oil production.
1977	• Commenced work in the pipelines segment.
1978	• Commenced work in the oil and gas processing segment.
1984	• Commenced providing project management services.
1989	• Our Company set up its own research and development centre at Gurgaon.
1994	• Our Subsidiary, Certification Engineers International Limited was set up.
1996	• The GoI disinvested about 6% of its holding in our Company through a private placement to certain banks, mutual funds etc.
1997	• Mini Ratna status accorded to our Company.
1997	• Listing on the BSE and NSE.
1998	• Commenced execution of lump sum turn key projects.
2000	• Listing on the Delhi Stock Exchange.
2001	• Commenced work in the infrastructure sector.
2004	• Commenced providing engineering procurement construction management services in relation to sub-surface crude storages.
2007	• Contracts on open book estimate and lump sum turnkey basis.

For further information on our history and corporate structure, see "History and Corporate Structure" on page 133.

Our Strengths

Leadership position across the value chain in the hydrocarbon industry in India

We were established by the GoI for the enhancement of design, engineering and project implementation competencies and the development of technology capabilities for the hydrocarbon industry in India. Over four decades we have developed indigenous technology and expertise for offshore platforms, oil and gas processing, oil refining, petrochemicals and pipeline projects. We have an extensive track record of working on key projects with various Indian and international energy majors and we believe that our leadership position across the entire value chain in the hydrocarbon industry in India and long-term relationships with our clients is a competitive advantage. For further information on significant projects we have been involved in, see "Business – Our Operations" on page 109.

Petroleum refineries. We have worked on over 49 refinery projects, with a combined refining capacity of 100 million tons per annum ("TPA"). These include eight greenfield refinery projects, 22 expansion projects, nine diesel hydrodesulphurization projects, as well as several fuel specification upgrade and modernization projects for various energy majors in India. We provide a range of services from concept to commissioning of projects ranging from single unit revamp projects to mega refinery or refinery cum petrochemicals complexes. We have worked with various reputed clients including IOCL, Chennai Petroleum Corporation Limited ("CPCL"), Bharat Petroleum Corporation Limited ("BPCL"), Numaligarh Refineries Limited ("NRL"), Hindustan Petroleum Corporation Limited ("HPCL"), Mangalore Refineries and Petrochemicals Limited ("MRPL"), HMEL, Bharat Oman Refineries Limited ("BORL"). We also have expanded our operations internationally to provide engineering consultancy to various international clients including Algiers & Skikda Refinery of Algeria, Iso Octane of Dubai, and Kuwait National Petroleum Company ("KNPC"). We have been involved in various studies for refinery yield and product quality upgrading and several of these initiatives have led to PMC assignments for refineries.

Petrochemical complexes. We have been involved in the establishment of seven mega petrochemical complexes in India. We were engaged by Indian Petrochemicals Corporation Ltd ("IPCL") now merged with RIL to provide engineering consultancy services for its aromatics and olefins projects at Vadodara. The successful completion of these projects led to the subsequent award of major petrochemicals projects for IPCL at Nagothane and Dahej. Other petrochemical projects executed by EIL in India include Bongaigaon Refinery & Petrochemicals Complex, UP Petrochemical Complex at Pata, Haldia Petrochemical Complex, Paraxylene and PTA Complex of IOCL, Panipat. We currently provide consultancy services for two major petrochemicals projects: the Dahej Petrochemical Complex for ONCG Petro-additions Limited ("OPaL") and the Assam Gas Cracker Complex at Lepatkaka for Brahmaputra Cracker and Polymers Limited ("BCPL"). In addition, we are providing our services to Gas Authority of (India) Limited ("GAIL") for their Petrochemical Complex Expansion Project at Pata.

Pipelines. We have provided engineering consultancy services for more than 10,000 km of pipeline projects in India and internationally. We carried out the configuration optimization and sizing of the HBJ pipeline for GAIL, leading to a number of subsequent pipeline projects for GAIL including the longest LPG pipeline in India (the 1,269 km Jamnagar-Loni Pipeline). Our domain knowledge has enabled us to acquire various contracts from other oil marketing companies including HPCL and BPCL for their oil, gas and multiproduct pipelines. With the subsequent expansion of the HBJ pipeline under the Gas Rehabilitation and Expansion Project ("GREP") project, we were involved in the development of India's largest pipeline network. Our expertise and credentials in this area has enabled us to provide engineering consultancy services for key international pipeline projects in Iraq, Abu Dhabi and Qatar.

Offshore Oil and Gas. We have worked extensively with Oil and Natural Gas Corporation Limited ("ONGC"), providing various engineering consultancy services for the development of offshore oil and gas projects in Mumbai High and other fields including South Bassein, Heera, Neelam, Panna, Mukta and Ratna fields offshore in the west coast of India and in the Ravva fields offshore in the east coast of India. We have provided engineering consultancy services on more than 150 well platforms, 30 process platforms, as well as 7 other structural platforms, such as living quarters, flare support platforms and SBMs for various projects. We have also provided engineering consultancy services for offshore reconstruction projects, submarine pipelines, trunk pipelines network for well fluid, water injection and gas lift to ONGC and other clients. We have also provided consultancy services on various offshore projects in Qatar and Abu Dhabi. We are currently engaged in, among others, the offshore platform projects for the Deen Dayal Field Development Project of Gujarat State Petroleum Corporation Ltd ("GSPC").

Onshore Oil and Gas. We have over the years developed experience and engineering capabilities for the design of onshore facilities such as group gathering stations, multistage separation, crude desalting and dehydration, heavy oil and sour oil processing, gas collection systems, compressor stations and cryogenic natural gas liquid recovery such as Liquefied Petroleum Gas ("LPG"), ethane and propane. This expertise has enabled us to provide consultancy services for various onshore projects including the gas processing complexes at Hazira and Uran and the C2/C3 and LPG recovery units at the gas based petrochemicals complex at Pata. We have also provided engineering consultancy services for various international clients on onshore projects, including in Algeria and Abu Dhabi. We are currently engaged in, among others, the onshore gas processing project for the Deen Dayal Field Development Project of GSPC.

Ports and Terminals / Storages. We have provided a range of engineering consultancy services on various coastal engineering projects, including geo-technical engineering, layout preparation for ports and shipyards and materials handlings. We have provided consultancy services for various ports and terminals/ storage projects. We have developed particular expertise for providing storage of crude oil in unlined underground caverns, and have provided engineering consultancy services for the GoI's energy security initiatives under its Integrated Energy Policy for strategic crude storages.

Turnkey Projects. Implementing our aggressive growth strategy, we have also expanded our operations into EPC projects in the hydrocarbon industry. We have completed 16 EPC turnkey projects, including the EPCC Packages 1 and 2 for Integrated PX-PTA Project at Panipat for IOCL, the Panipat Naphtha Cracker Project - LLDPE/ HDPE Swing Unit (EPCC - 3 Package) for IOCL, the Mumbai High North Water Injection Cum Gas Compression Platform (MNW) for ONGC, the N-11 and N-12 Well Platforms Projects for ONGC, and the Water Injection Pipelines Replacement project (WIPRP) Phase I for ONGC.

We are currently working on various EPC projects, including the Euro IV Quality Upgradation Project at Chennai - DHDT and NHT/ ISOM Units Project for CPCL, Petro-FCC, sulphur block and polypropylene units of Phase-III Project of MRPL and jetty pipeline facilities at Paradip of IOCL.

We expect the discovery of large oil and gas reserves in various parts of the world, the relative stabilization of crude prices in 2009 and the heightened exploration, production and transportation activity in the energy industry, and the significant capital investment in the upstream and downstream oil and gas industry in India to result in an increased demand for engineering consultancy services in these industries. We believe that the long-term relationships we have built with our major clients, often after decades of work with many of them, allow us to better understand and be more responsive to their requirements. We believe this understanding of our clients' needs has enabled us obtain various repeat orders from our clients. We believe we are well-positioned to capitalize on the considerable growth in the oil and gas, refineries and petrochemicals industries in India.

Operations in diverse industries and economies

Leveraging our track record in the hydrocarbon industry, we have diversified our operations to other sectors, particularly non-ferrous mining and metallurgy and infrastructure.

In the mining and metallurgy sector, we have implemented several projects involving large non-ferrous metallurgical plants including for alumina, aluminum, copper, zinc, lead titanium, cadmium, mica, rock phosphate, graphite, fluorspar, limestone, and lignite for various clients including National Aluminium Company Limited ("NALCO"), Indian Aluminium Company Limited ("INDAL"), Hindalco Industries Limited ("HINDALCO"), Sterlite Industries Limited ("Sterlite"), National Mineral Development Corporation Limited ("NMDC'), Hindustan Zinc Limited ("HZL"), Hindustan Copper Limited ("HCL") and Gujarat Mineral Development Corporation Limited ("GMDC") and JSW Aluminum Limited ("JSWAL"). Our long association with these clients, for over three decades, together with wide range of our service offerings and our domain expertise has enabled us to bring various opportunities for us in this field.

In the infrastructure sector, we have provided a range of engineering consultancy services including as Owner's Engineers for various infrastructure development projects for clients, such as Delhi Jal Board ("DJB"), Municipal Corporation of Delhi ("MCD") and other civic bodies. Other Infrastructure projects include the modernization and restructuring of Mumbai Airport for Mumbai International Airport Private Limited ("MIAL") and the Delhi Airport for Delhi International Airport (P) Limited ("DIAL") as independent engineer, the Rugby Stadium and Other Sports Facilities Projects for Common Wealth Games 2010. We are also currently working on the Development of Interceptor Sewers for Abatement of Pollution in River Yamuna Project for DJB as PMC on deposit mode. The sustained growth and increased government spending in the infrastructure sector, together with increased funding by international and multilateral development finance institutions for infrastructure projects, have also resulted in an increased demand for engineering consultancy services for infrastructure projects in India and the markets we serve, particularly for power projects, water and waste management and urban infrastructure. We also intend to leverage our engineering consultancy and EPC capabilities and track record to selectively diversify into other potential project segments as part of our strategic initiatives for enhanced growth and diversification. We intend to focus on specific project segments and industries where we believe there is potential for growth and where we enjoy competitive advantages, including in water and waste management, city gas distribution, power (including thermal, solar and nuclear power), gas based fertilizer projects and coal to liquid projects.

In addition to our extensive operations in India, we have also steadily expanded our international operations and have provided consultancy engineering services for various key projects outside India, including in the Middle East, North Africa and South East Asia. We believe this will enable us to further diversify our revenue streams from other geographical regions and jurisdictions. We serve multiple markets across a broad spectrum of industries and believe that our market diversity is a key strength that enables us to mitigate the impact of the cyclicality in the markets we serve. We believe that we are able to provide our clients with valuable insight based on our experience and expertise for large scale oil and gas and petrochemicals projects that are geographically challenging in nature. We believe that our extensive experience and integrated engineering consultancy and EPC service offerings across diverse industries and geographies together with our technology driven project implementation profile will enable us to capitalize on the growth in the various industries and markets we serve.

Technology-driven integrated turnkey and total solutions consultancy services

We are one of the leading engineering consultancy companies in India providing a range of services covering the entire spectrum of activities from concept to commissioning of a project. We also execute projects on a turnkey basis. We believe that our business model allows us the opportunity to bring to our clients business offerings that combine excellence in execution, experience, safety and cost containment.

We are a technology driven organization with a qualified and professional employee base with over 3,300 permanent employees as of March 31, 2010, including more than 2,730 employees with technical and professional qualifications. We have developed or have the right to license leading technologies, which we license to our clients in the oil and gas and petrochemical industries. We have developed 30 process technologies either on our own or in collaboration with our clients and reputed research institutions. We currently hold ten patents and have 20 pending patent applications relating to various process technologies and hardware developed by us. Our portfolio includes various technologies for petroleum refining, oil and gas processing and aromatics.

We have been successful in the commercial application of various process technologies developed by us, including technologies for vis-breaking, delayed coking, aromatics extraction, production of food grade hexane, propane de-asphalting, claus sulphur recovery process, slurry transportation, mass transfer devices, cast and glass air pre-heaters for energy conservation, and ejectors and eductors. Currently diesel hydrodesulphurization, light naphtha isomerization and sulphur recovery units based on indigenous technologies in which we have been development partners are at various stages of implementation. We believe that our qualified and professional employee base, together with our engineering and technology capabilities enable us to successfully integrate sophisticated design and engineering methodologies with project management practices.

Robust financial position with significant Order Book

We strive to maintain a robust financial position with emphasis on having a strong balance sheet. Our total income increased at a CAGR of 47.28% from Rs.6,876.5 million in the year ended March 31, 2007 to Rs.21,969.6 million in the year ended March 31, 2010, while our profit after taxation, as restated, increased at a CAGR of 47.31% from Rs.1,390.0 million in the year ended March 31, 2007 to Rs.4,443.4 million in the year ended March 31, 2010. We paid dividends of Rs.617.7 million, Rs.1,038.9 million, and Rs.5,952.5 million in the years ended March 31, 2008, 2009 and 2010, respectively, representing 110.00%, 185.00% and 1,060.00%, respectively, of the par value of the Equity Shares.

As of March 31, 2010, we had reserves and surplus of Rs.10,980.6 million. As of March 31, 2010, we did not have any outstanding indebtedness. Our strong balance sheet allows us to fund our strategic initiatives, pay dividends, pursue opportunities for growth and better manage unanticipated cash flow variations. Our financial strength provides us a valuable competitive advantage in terms of access to surety bonding capacity and letters of credit, which are factors critical to our business. Working capital requirement in our business is relatively low because of the contractually agreed progressive billing and payment schedules based on project milestones.

Our Order Book as of March 31, 2010 was Rs.62,368.4 million. Our Order Book comprises anticipated revenues from the unexecuted portions of existing contracts (including signed contracts for which all pre-conditions to entry into force have been met and letters of acceptance issued by the client prior to execution of the final contract) as of a particular date. In addition, subsequent to March 31, 2010, we have been awarded several contracts. For further information relating to our Order Book, see "Management's Discussion and Analysis of Financial Condition and results of Operations – Order Book" on page 176.

Integrated project management capabilities with a focus on quality, HSE, cost efficiencies and timely implementation

Given our proven track record of project implementation, we believe that our ability to provide design, engineering, procurement, construction, and integrated project management and EPC services provides us a distinct competitive advantage. We strive to complete our projects on schedule while meeting or exceeding all client specifications. In an increasingly competitive environment, we are also continually emphasizing cost controls so that our clients achieve not only their performance requirements but also their budgetary needs.

Our integrated project implementation and EPC capabilities enable us to better evaluate potential projects. We believe that our ability to understand and assess project risk, especially involving complex technologies, difficult locations or circumstances or in a lump-sum or fixed price contracting environment, gives us the ability to selectively enter into markets or accept projects where we believe we can best perform. We have an experienced management team, particularly in risk management and project execution, which helps us to better anticipate and understand potential risks and, therefore, manage such risks. Our risk management capabilities allow us to better control costs and ensure timely performance. We believe that we have established a reputation for demonstrating efficient project management and engineering capabilities, supply chain management, and project execution with on-site decision making capabilities. Our sophisticated IT infrastructure also enables us to ensure effective project management and implementation.

One of our core values and a fundamental business strategy is our constant pursuit of high quality and HSE standards. Both for us and our clients, the maintenance of a safe workplace is a key business driver. In the areas in which we provide our services, we have delivered and continue to deliver excellent safety performance. We have achieved numerous awards for various projects related to man hours worked without any "lost time accidents". For example, we achieved 81.86 million man hours worked without any "lost time accident" for the Panipat Refinery Expansion Project and 75 million man hours worked without any "lost time accident" for the Panipat Naptha Cracker Project, as certified by our client IOCL. We are also a principal panelist for the development of various safety standards for the Oil Industry Safety Directorate under the MoPNG. In our estimation, a safe job site decreases risks on a project site, assures a proper environment for all stakeholders and enhances their morale, reduces project cost and exposure and generally improves client relations. We believe that our safety record is one of our distinguishing features.

Qualified and motivated employee base and proven management team

We believe that a motivated and empowered employee base is a competitive advantage. We have a qualified and professional employee base with over 3,300 employees as of March 31, 2010, including more than 2,730 technically qualified employees. Many of our employees, particularly senior management, have worked with the Company for relatively long terms.

Our engineering and technology capabilities have enabled us to develop a technology driven project implementation profile and successfully integrate sophisticated design, engineering and construction methodologies with sound project management practices. Our personnel policies are aimed towards recruiting talented employees and facilitating their integration into the Company and encouraging the development of their skills. We are dedicated to the development of the expertise and know-how of our employees and have commenced a focused leadership development program. We have also invested resources to develop a comprehensive knowledge management infrastructure within our organization to effectively capture technologies and experience from our projects to develop an integrated knowledge management base.

Our management team is well qualified and experienced in the industry. We believe that the combination of our experienced Board and our dynamic and experienced management team have been key to our success and will enable us to capitalize on further growth opportunities.

Our Business Strategy

Our strategic objective is to continue to improve on and consolidate our position as a leading engineering and construction company. We intend to achieve this by implementing the following strategies:

Consolidate our leadership position in the hydrocarbon industry in India

We continue to leverage our engineering and technology capabilities, sophisticated design, engineering and construction methodologies and project management practices to consolidate our leadership position in the hydrocarbon industry in India. We focus on opportunities in sectors and projects where we can be competitive and obtain robust margins with acceptable level of contractual risk. We continue to pursue EPC contracts as such contracts enable us to move up the value chain and increase our revenue base, provide us with the opportunity to bid for larger projects and deploy our resources more efficiently. For certain large value projects we also plan to form strategic alliances with other experienced and qualified EPC contractors.

Expand our international operations

We continue to expand our international operations to establish a global execution platform. We seek to identify markets where we believe we can provide cost and operational advantages to our clients and distinguish ourselves from other competitors. We intend to focus on regions where we have previously implemented projects, such as in the Middle East, North Africa and South East Asia to capitalize on our local experience, established contacts with local clients and suppliers, and familiarity with local working conditions. In order to expand our operations, we continue to identify strategic partners whose resources, capabilities and strategies are complementary to and are likely to enhance our business operations in such regions.

Middle East. We intend to leverage our track record in the energy industry to focus on all verticals of the oil and gas industry as well as the non-ferrous mining and metallurgy sector in the Middle East. We intend to build on our experience in the Middle East and continue to focus on projects in the United Arab Emirates ("U.A.E"), Qatar, Kuwait, Oman, Bahrain and Saudi Arabia and, based on specific project opportunities, in other countries in the region. We continue to further strengthen our offices in Abu Dhabi to develop an engineering hub for projects and other strategic opportunities in the Middle East. We have also established Tecnimont EIL as a joint venture with Tecnimont SPA of Italy to jointly pursue PMC and EPC projects in the hydrocarbon industry in the U.A.E.

Africa. We have provided a range of engineering consultancy services on various petroleum refinery projects and gas processing projects in North Africa, particularly in Algeria, and intend to leverage this experience to further expand our operations in other countries in the region including in Ghana, Nigeria and Kenya. We intend to consolidate on our track record in this region to target EPC contracts in the oil and gas sector, particularly for refinery and other onshore projects.

South East Asia. South East Asia continues to be a geographic area of keen interest for us due to the relative abundance of undeveloped natural gas resources, growing demand for natural gas for power generation and industrial and residential usage and our past success in the region. We continue to leverage our track record in South East Asia to further expand our operations into neighboring markets.

Other markets. We also intend to expand our operations to Latin America, particularly in Brazil and Venezuela, focusing on oil and gas projects and mining and metallurgy projects and we continue to evaluate various entry strategies.

Selectively diversify into other potential sectors

We intend to leverage our engineering consultancy and EPC capabilities and track record to selectively diversify into other potential project segments. We intend to target specific project segments and industries where we believe there is potential for growth and where we enjoy competitive advantages:

- *Water and waste management.* We continue to leverage our track record in infrastructure projects to further expand our operations in the water and waste management sector by offering integrated water management solutions. We continue to focus on water desalination and treatment projects, urban water distribution projects, waste water collection and treatment, waste water disposal; and residue disposal projects. We continue to target engineering consultancy and PMC opportunities as well as EPC projects.

- *City gas distribution.* We believe that the increasing demand for natural gas as a fuel for city energy purposes, driven by higher cost of traditional fuel as well as lower levels of emission and higher energy efficiency of natural gas, will continue to result in an increasing demand for comprehensive gas infrastructure, including city gas distribution networks, in various metropolitan and other cities in India. We believe that given our track record of providing engineering consultancy and EPC services for urban infrastructure projects and cross-country hydrocarbon projects, the city gas distribution sector provides attractive opportunities for us and we intend to pursue strategic city gas distribution projects through equity investments to own and operate such networks. We intend to pursue bids for the development and operation of new city gas distribution projects and also continue to evaluate strategic joint venture arrangements with other entities that are currently operating in this sector for equity investment opportunities.

- *Power*

  Thermal. We intend to leverage our technology capabilities, our experience in providing engineering consultancy services for various captive power projects to undertake consultancy services for balance of plant (BOP) packages for large power plants in India. We continue to explore investment opportunities as an owner and operator in the power sector for the establishment of small and mid-sized gas-based power plants.

  Solar. We believe that the solar power sector presents opportunities for engineering consultancy and EPC services, particularly following the announcement of the Jawaharlal Nehru National Solar Mission ("JNNSM") Policy in November 2009. We have identified and continue to focus on technology development programs and intend to actively pursue opportunities in this sector for photovoltaic power plants, entering into agreements with CSP technology providers and participating in competitive bidding for solar energy projects.

  Nuclear. Subject to receipt of applicable regulatory approvals, we intend to expand our operations to target strategic engineering consultancy opportunities in the nuclear power sector, focusing on balance of plant area engineering. We also intend to pursue collaborative efforts with relevant technology providers to participate in balance of plant area engineering opportunities on projects developed by the International Thermonuclear Experimental Reactor ("ITER"), an international scientific and technical collaboration represented by various jurisdictions, of which India is a member state.

- *Gas-based fertilizer projects.* We intend to provide a broad range of engineering consultancy services for gas-based fertilizer projects in India and internationally and explore EPC opportunities in this sector through consortium arrangements, by strengthening our domain knowledge in this market and developing technology capabilities focused on ammonia and urea processing through in-house development as well as licensing arrangements with relevant technology providers. We intend to target fuel / feed conversion projects both for Naphtha based projects and FO/ LSHS based projects, revival of closed units of public sector gas-based fertilizer plants in India, reconstruction and expansion projects in the fertilizer sector.

- *Coal to liquid.* We intend to leverage our refining technology capabilities to position ourselves as a leading consultant for coal-to-liquid projects in India. We intend to explore engineering consultancy opportunities on coal-to-liquid projects. In this connection, we continue to target potential clients and have recently been engaged for site selection consultancy by the Tata-Sasol joint venture for its proposed coal-to-liquid project based on the indirect liquefaction process. We have also completed the pre-feasibility report for a direct liquefaction process coal-to-liquid project for Oil India Limited ("OIL").

  We believe that in the medium and long term some of these strategic business initiatives could contribute considerably to our revenues. We may enter into strategic alliances to explore such opportunities or make investments in entities that we do not control to capitalize on such business opportunities.

Continue to focus on technology and project implementation capabilities

To meet our clients' expectations and reflect our focus on expanding our international business, we intend to continue to invest in and strengthen our technology base to maintain world class delivery of engineering solutions to our clients. We intend to continue to develop our technology research and development center to focus on the commercialization of process technologies developed either on our own or in collaboration with our clients and reputed research institutions, including various technologies for petroleum refining, oil and gas processing and aromatics. We continue to expand our operations in various strategic new business areas, and intend to focus on the development, adoption and assimilation of state of the art technologies in these areas, including solar power, liquefaction and gasification technologies. We also continue to work on clean coal technologies and carbon management capabilities, technologies relating to product quality upgrading through hydro-treatment, as well as environmental and sustainable development initiatives for our water and waste management business.

We believe we have developed a reputation for undertaking challenging engineering consultancy and EPC projects. We intend to continue to focus on performance and project execution in order to maximize client satisfaction and further focus on energy efficiencies aimed at reducing both capital and operating expenditures for our clients. Our experience enables our engineering teams to incorporate international best practices and we leverage advanced technologies, designs and project management tools to increase productivity and maximize asset utilization in capital intensive project activities. We continue to focus on integrating our operations through centralized risk management and compliance measures for every stage of our business: the bidding and estimation stage and the project implementation stage, as well as by streamlining our operations to provide cost effective design, engineering and EPC services.

Continue to develop and maintain strategic relationships

Our services are dependent on engineering and construction projects of Indian and international energy conglomerates and infrastructure projects undertaken by governmental authorities or international and multilateral development finance institutions. We are also developing and maintaining strategic alliances with other EPC contractors, and we intend to explore entering into joint ventures, consortia or sub-contract relationships for specific projects with certain of these EPC contractors. We also intend to establish strategic alliances and share risks with strategic partners whose resources, skills and strategies are complementary to and are likely to enhance our business opportunities, including the formation of joint ventures and consortia to achieve competitive advantage. In selecting contractors for major EPC projects, clients generally limit the tender to contractors they have pre-qualified based on several criteria including experience, technological capacity and performance, reputation for quality, safety record, financial strength, and previous experience in similar projects, as well as price competitiveness of the bid. Pre-qualification is key to our being awarded major EPC projects and we continue to use our marketing efforts to pre-qualify with major energy conglomerates and infrastructure development agencies and entities.

Our Services

Our services fall into five broad categories: process design and engineering, procurement, construction management, commissioning and project management. We offer these services independently as well as on a fully integrated basis.

Process Design Services

Under process design services, we provide basic design packages for various open art process units for refineries, residual basic engineering for licensed process units and basic design packages for integrated utilities and offsite facilities. We also provide basic design packages for the licensed technologies available in our portfolio.

Engineering Services

Under engineering services, our expertise ranges from traditional engineering disciplines such as piping, mechanical, electrical, control systems, civil, structural and architectural to advanced engineering specialties including process engineering, simulation, enterprise integration, integrated automation processes and interactive 3-D modeling. We also provide conceptual design services, which enable us to align each project's function, scope, cost and schedule with the client's objectives in order to optimize project success. Our engineering services include feasibility studies, technology evaluation, risk management assessment, asset integrity check and residual life assessment and front-end engineering. We also provide yield and energy optimization and capacity augmentation services in process plants.

We provide a range of project implementation services from concept to commissioning, include project feasibility reports, technology selection, project management, process design, basic and detailed engineering, procurement, inspection, project audit, supply chain management, cost engineering, planning and scheduling, construction management and commissioning. We also provide specialist services such as heat and mass transfer equipment design, environmental engineering services, specialist materials and maintenance services, energy conservation services and plant operation and safety services.

Procurement Services

We provide comprehensive procurement services including traditional procurement services such as strategic sourcing, material management, contracts management, buying, expediting, supplier quality inspection and logistics. Our clients benefit from our sourcing and supply expertise, technical knowledge, processes, systems and experienced resources.

Construction Management Services

We provide comprehensive construction management services at site including selection of construction contractors, warehouse management, quality control and assurance, progress monitoring and scheduling. We mobilize and demobilize resources, execute and commission projects by engaging subcontractors or through construction management as the owner's agent. Under construction management services, we undertake total site responsibility from survey and soil investigation to mechanical completion and assistance in commissioning.

Commissioning Services

Our commissioning services include pre-commissioning and commissioning assistance for projects on behalf of our clients. These services include delivery of plant readiness, start-up and commissioning, as well as conducting performance guarantee tests. We review process and engineering design documents with respect to operability and safety matters, and prepare operating manuals for plants providing instructions for safe start-up, shutdown and handling various emergencies. We provide various guidelines and supervise pre-commissioning and commissioning activities at site, and assist in conducting performance guarantee test runs and technical guidance for trouble shooting.

Project Management Services

Project management involves the primary responsibility of managing all aspects of delivering projects on schedule and within budget. We are often engaged as the overall project manager on large complex projects where various contractors and subcontractors are involved and multiple activities need to be integrated to ensure the overall success of the project. Project management services include developing project execution plans, detailed schedules, cost forecasts, progress tracking and reporting, and the integration of the engineering, procurement, logistics and construction efforts. As a project manager we are accountable to the client to timely meet safety, functionality, schedule implementation and performance requirements of the project.

Certification Services

Through our wholly-owned subsidiary, Certification Engineers International Ltd. ("CEIL"), operates a certification and verification agency for offshore process platforms, well platforms, submarine pipelines and single-buoy mooring systems. CEIL provides services related to certification, re-certification, safety, audit and health, safety and environment ("HSE") management systems for offshore and onshore oil and gas facilities. CEIL also performs third party inspection of equipment and installations in the hydrocarbon and other sectors.

Forms of Contracts and Contract Management

Our service offerings range from concept to commission activities, often at the early stages of a project, to complete, total-responsibility, design-build contracts. With each specific project, our role can vary. We may be involved in providing front-end engineering, program management and final design services, construction management services, supervision of other contractors and we may also assume responsibility for the procurement of materials, equipment and engaging subcontractors. Our role on various projects can vary and our responsibilities for a particular project may be governed by the following kinds of arrangements (or a modified version of the following arrangements):

- Front-end engineering and design ("FEED") contracts;
- Project management consultancy ("PMC') contracts, i.e. contracts under which we provide project management services for the implementation of a project though turnkey contractors;
- Engineering, procurement and construction management ("EPCM") contracts, i.e. contracts under which we provide project management services for projects implemented by the owner through coordination of various contractors and sub-contractors, suppliers and external agencies; and
- Engineering, procurement and construction ("EPC") contracts, i.e. contracts under which we are responsible for the entire project as a turnkey contractor.

Forms of Engineering Consultancy Contracts

While there is considerable variation in the pricing provisions of the contracts we undertake, our engineering consultancy contracts generally fall into two broad categories:

- Fixed-price contracts; and
- Cost-reimbursable contracts.

Fixed price contracts. Fixed-price contracts describe either "lump sum" contracts or "negotiated fixed-price" contracts. Under lump sum bid contracts, we typically bid against other contractors and engineering consultancy service providers based on the scope of work furnished by the client. Under a negotiated fixed-price contract, we are first selected as the contractor, subsequent to which we subsequently negotiate a price with our client for the agreed scope of work.

Cost-reimbursable contracts. Cost-reimbursable contracts provide for reimbursement of costs incurred plus a fee as a percentage of cost for the services rendered.

Forms of EPC Contracts

Our EPC contracts generally fall into two broad categories:

- Lump-sum turnkey ("LSTK") contracts, a form of fixed-price contracts; and
- Open book estimate ("OBE") contracts, a form of cost-reimbursable contracts.

Lumpsum turnkey (LSTK) contracts. Some of our EPC contracts projects are under "lump-sum" contracts that fix an all inclusive lump-sum price for the project with certain key components of the project, such as procurement of certain items that are subject to price variation provisions. In addition, changes in scope of work are defined by change orders agreed by both parties. The EPC contractor has single-point responsibility for completion of a project within the agreed schedule at the awarded LSTK Price. While turnkey EPC contracts entail business and financial risks, notably by requiring us to absorb some of the cost overruns, they enable us to efficiently determine the engineering, procurement and construction sequence for a project and deploy our resources more efficiently and potentially capture these efficiencies in the form of improved margins.

Open book estimate (OBE) contracts. An "open book estimate" ("OBE") contract is a form of cost-reimbursable contract with a provision for conversion to LSTK for a project to be done on EPC basis. In an OBE contract, certain specified costs involved in the project that are remunerable as well as the mark-up on the reimbursable cost elements, such as material, equipment supply costs and contract works costs. Under such contracts, our clients choose to work closely with one technology and EPC partner early in the scoping phase, and progressively firm up the lump-sum turnkey contract for the EPC contract. Benefits under OBE contracts primarily relate to ensuring control over the time and expenses for a project and greater certainty of outcome.

There are other forms of contracts based on guaranteed maximum price, such as "Alliance Contracts", and we continue to evaluate opportunities to work on this model based on mutually beneficial terms to owners and contractors.

Our Operations

Our operations currently focus principally on the following industries and verticals:

- oil and gas (including gas processing, LPG and C2/C3 recovery, petroleum refineries, petrochemicals, pipelines, offshore and onshore oil and gas and terminals and storages);
- non-ferrous mining and metallurgy; and
- infrastructure.

Oil and Gas

We have established a track record of providing integrated engineering consultancy services, offering a full range of design, engineering, procurement, construction and project management services to a broad spectrum of energy-related sectors. We offer our services for projects in upstream oil and gas production, downstream refining petrochemicals and pipelines. We believe that we are able to provide our clients with valuable insight based on our experience and expertise for large scale oil and gas and petrochemicals projects that are geographically challenging in nature.

➢ ***PETROLEUM REFINING***

In the downstream oil and gas industry, we continue to pursue opportunities relating to refined products. Our clients are expanding, modernizing and modifying existing refineries to increase capacity and satisfy environmental requirements and we continue to play an important role in each of these markets.

Over the last four decades we have played a major role in the refinery sector in India. Major petroleum refinery projects for which we have provided engineering consultancy services include the following:

- Refinery project at Mathura, Panipat, Vadodhara, Barauni, Haldia for IOCL;
- Refinery projects at Mumbai and Kochi for BPCL;
- Refinery projects at Mumbai and Visakhapatanam for HPCL;
- Refinery project at Bongaigaon for Bongaigaon Refinery and Petrochemicals Limited ("BRPL");
- Refinery project at Numaligarh for NRL;
- Refinery project at Vadinar for Essar;
- Refinery project at Mangalore for MRPL;
- Refinery expansion project at Manali for CPCL; and
- DHDS projects for nine refineries in India.

We continue to be one of the leading engineering consultancy service providers to the refinery sector in India. Some of the major refinery projects on which we are currently providing engineering consultancy services include:

- Guru Gobind Singh greenfield refinery project at Bhatinda, Punjab for HMEL;
- Diesel quality upgrading project for NRL;
- DHDT project at Bongaigaon refinery for IOCL;
- Refinery expansion and upgrading project at Mangalore for MRPL;
- Refinery project at Bina for BORL;
- Panipat refinery additional expansion project for IOCL;
- Capacity expansion and modernization project Phase - II at Kochi for BPCL;
- Skikda refinery project of SONATRACH, Algeria;
- Rehabilitation and adaptation project for Algiers refinery of SONATRACH, Algeria;
- Vishakhapattanam refinery clean fuel project for HPCL; and
- Green fuel and emission control project and FCC Unit at Mumbai for HPCL.

➢ ***PETROCHEMICALS***

We have provided engineering consultancy services for various petrochemical projects involving various processes including:

- Gas based/ Naphtha based cracker complexes (comprising gas sweetening, C2 / C3 recovery, Ethylene production and high end products including HDPE, LLDPE, PVC, VCM and EO/EG; and
- Aromatic plants comprising Naphtha splitters, pre-treaters / reformers, Benzene-Toluene extraction units, pyrolysis gasoline hydrogenation units, Xylene fractionation and isomerization units including overall integration and optimization of such complexes.

We have executed seven mega petrochemical complexes established in India. Some of the major petrochemical projects executed by us include:

- Integrated Paraxylene and PTA complex at Panipat for IOCL;
- Haldia Petrochemicals Complex for Haldia Petrochemicals Limited ("HPL");
- Maharashtra Gas Cracker Complex Expansion Project at Nagothane for IPCL (now RIL);
- UP Petrochemicals Complex at Pata for GAIL;
- Petrochemicals Complex at Dahej for IPCL (now RIL);
- Maharashtra Gas Cracker Complex at Nagothane for IPCL (now RIL);

- Naphtha Cracker and Aromatics Complex and Downstream Plants at Vadodara for IPCL (RIL);
- Tabriz Petrochemicals Complex in Iran for National Petroleum Company;
- Bandar Imam Petrochemicals Complex in Iran for Bandar Imam Petrochemicals Company ("BIPC"); and
- Aromatics Petrochemicals Complex at Bongaigaon for BRPL (now IOCL).

We are currently providing engineering consultancy services for the following ongoing petrochemicals projects:

- Assam Gas Cracker Complex at Lepatkaka for BCPL ;
- Dahej Petrochemical Complex for OPaL; and
- Panipat Naphtha Cracker Complex Project for IOCL.

➢ ***PIPELINES***

We have the capability to plan and execute long distance cross-country and submarine pipelines for transportation of crude oil, petroleum products (single and multi-product), two phase fluids and slurries. We provide a range of services including conceptual scheme, feasibility study, on-site investigation and route survey, cathodic protection and telemetry, telecommunication and telesupervisory control for pipeline projects in addition to project services such as design and engineering, procurement, construction supervision and project management.

We have been involved in a number of prestigious pipeline projects in India and internationally including:

- India’s largest pipeline network, the 1,800 km HBJ Gas Pipeline and its subsequent 505 km Gas Rehabilitation and Expansion Project for GAIL;
- One of India’s largest LPG pipelines, the 1,269 Km Jamnagar – Loni Pipeline of GAIL;
- Multiproduct pipelines such as the 1,400 km Kandla – Bhatinda Pipeline of IOCL; and
- Pipelines executed outside India including the Maqta - Taweelah - Jebel Ali Gas Pipeline for the National Petroleum Construction Company ("NPCC"), Abu Dhabi, the Inter-refineries Pipeline Project for Abu Dhabi Oil Refining Company ("Takreer"), Abu Dhabi, and the 166 km Maqta - Al Ain Pipeline Project in Abu Dhabi for Abu Dhabi National Oil Company ("ADNOC").

Other major pipeline projects that we have provided engineering consultancy services include:

- 935 km Vadinar - Bina Crude Oil Pipeline Project for BORL;
- 660 Km Numaligarh – Siliguri Multi Product Pipeline Project of OIL;
- 340 Km Dhabol – Panvel Gas Pipeline Project of GAIL;
- 343 Km Loni – Sholapur Multiproduct Pipeline Project of HPCL;
- 1,066 km Mundra - Delhi Multiproduct Pipeline Project of HPCL;
- 610 km Dahej - Vijaipur Gas Pipeline Project for GAIL;
- 358 Km Mumbai – Manmad Multiproduct Pipeline Extension Project of BPCL;
- 600 Km Vizag – Secunderabad LPG Pipeline Project of GAIL;
- 380 km Mangalore - Bangalore Multiproduct Pipeline Project of HPCL; and
- 289 Cochin - Coimbatore - Karur Multiproduct Pipeline Project of Petronet CCK Limited.

We are currently providing engineering consultancy services for the following pipeline projects:

- 588 km Vijaipur - Dadri Bawana Gas Pipeline Project and Compressor Station Works for GAIL;
- 1,012 km Mundra - Bhatinda Crude Oil Pipeline Project for HMEL;
- 265 km Bina - Kota Multiproduct Pipeline Project for BPCL; and
- 150 km Bramhaputra Pipeline Project for BCPL.

➢ *OFFSHORE OIL AND GAS*

We have worked extensively with ONGC in developing offshore oil and gas projects in Bombay High and other fields including South Bassein, Heera, Neelam, Panna, Mukta and Ratna fields offshore in the west coast of India and in the Ravva fields offshore in the east coast of India. We have also provided engineering consultancy services for offshore reconstruction projects, submarine pipelines, trunk pipelines network for well fluid, water injection and gas lift to ONGC and other clients.

Key offshore oil and gas projects that we have provided engineering consultancy services for include:

- Vasai East Development Project for ONGC;
- NQ Complex Reconstruction Project at Mumbai for ONGC;
- SH Complex Reconstruction Project for ONGC;
- 26 Well Platforms Revamp Project at Mumbai for ONGC;
- RSPPM Project of ONGC for Iranian Offshore Engineering and Construction Company, Iran;
- MUT Pipeline Project for ONGC;
- BHN Revamp Bombay High North Field, Mumbai for ONGC; and
- Tapti Field Development “STD” Platform and Pipeline Engineering Project for Enron Oil and Gas Limited ("EOGIL").

We are currently working on the following projects:

- Flare Gas Recovery Project at Neelam and Heera Process Platforms of ONGC;
- WIN Revamp Project of ONGC;
- Deen Dayal Field Development Project for offshore facilities for GSPC; and
- B-22 Field Development Project for offshore facilities of ONGC.

➢ *ONSHORE OIL AND GAS*

We have provided a range of project implementation and consultancy services for onshore oil and gas projects including for crude gathering stations, multistage separation, crude desalting and dehydration, heavy oil and sour oil processing, gas collection systems, compressor stations, cryogenic natural gas liquid recovery such as LPG, ethane and propane, for ONGC, GAIL and other energy majors in India.

Key onshore oil and gas projects for which we have provided engineering consultancy services include:

- Expansion of LNG Terminal at Dahej for Petronet LNG;
- KG Bhasin Phase III Upgrade Project for GAIL;
- Gas processing complex at Gandhar for GAIL;
- Gas processing complex at Hazira and Uran for ONGC; and
- Hazira hase III Expansion project at Hazira for ONGC.

Some of our ongoing projects are:

- Onshore gas terminal for Deen Dayal Field development Project for GSPC; and
- Additional gas processing facilities at Hazira and Uran for ONGC.

➢ *TERMINALS AND STORAGES*

Oil and gas companies require large storage tanks and terminals in the course of exploration, production, storage and transportation of oil and gas and derivative products. We have experience in the construction of various kinds of tanks and terminals and other storage facilities. We have provided PMC and consultancy services on various coastal engineering projects, including geo-technical engineering, layout preparation for ports and shipyards and materials handlings and undertake feasibility reports, detailed project reports and provide project implementation services for the following types of projects: jetties and berthing/mooring structures in harbors; port terminals for import/export, bulk storage and distribution of chemicals and petrochemicals; port terminals for import, storage and dispatch of crude oil and products; terminals for handling of import, storage and distribution of LPG and other gases in pressurized cryogenic form; port and harbor works including material handling facilities; single buoy mooring (SBM) and related works; intake and outfall structures and effluent pipelines; and special marine works.

In the last two decades, we have offered engineering consultancy services for the development of such infrastructure projects for clients in the hydrocarbon sector and to various Ports Trust Authorities in India.

We have also provided engineering consultancy services for the GoI's energy security initiative in strategic crude storages, and have developed particular expertise for providing storage of crude oil in unlined underground caverns.

We have provided engineering consultancy services for the following, among other, key projects:

- SPM, Terminal and Associated Offshore Pipeline Project for BORL;
- Fixed Jetty at Nagapattinam Project for CPCL;
- Jetty/ Docklines and Terminal at Jawaharlal Nehru Port for BPCL;
- Product Import Facilities off Hazira for ONGC;
- Chemicals Port Terminal at Dahej for Gujarat Chemical Port Terminal Company Limited ("GCPTCL"); and
- Marketing Terminal at Numaligarh for NRL.

Some of the projects for which we are currently providing engineering consultancy services are:

- Strategic Crude Oil Facilities at Mangalore, at Vishakhapatnam and at Padur for the Indian Strategic Petroleum Reserves Limited ("ISPRL");
- Development of Port Facilities Project (including break-waters, import/ export terminal) for Ratnagiri Gas and Power Private limited ("RGPPL") / GAIL; and
- SPM, Terminal and Associated Offshore / Onshore Pipeline Project for HMEL.

Mining and Metallurgy

We have implemented 26 mining and metallurgical projects involving large non-ferrous metallurgical plants including for alumina, aluminum, copper, zinc, lead titanium, cadmium, gallium, magnesium, rock phosphate, graphite, fluorspar, limestone, coal and lignite for various clients. We have provided basic and detailed engineering, procurement and tendering, project management, construction management and commissioning services for various projects, and have the requisite experience to undertake complete work for such projects. We also provide other specialized services such as laboratory tests, bench and pilot plant test, specialist materials and maintenance services in addition to geology and mining services.

Key mining and metallurgy projects for which we have provided engineering consultancy services include:

- JSW Alumina Refinery Project at Vizag for JSWAL;
- Expansion of Muri Alumina Refinery Project for HINDALCO;
- 1.4 million TPA Alumina Refinery Project at Lanjigarh for Sterlite;
- Expansion of Hirakud Aluminum Smelter at Hirakud for INDAL;
- Expansion of Aluminum Smelter at Angul for NALCO;
- Expansion of Mines and Alumina Refinery at Damanjodi for NALCO; and
- Utkal Alumina Project for Utkal Alumina International Limited.

We are currently providing engineering consultancy services for the following projects:

- Mahan Aluminum Smelter Project at Sidhi, Madhya Pradesh for HINDALCO;
- Fourth Stream Upgradation Project at Damanjodi, Orissa for NALCO;
- Aditya Alumina Smelter Project at Lapanga, Sambalpur, Orissa for HINDALCO;
- Phase II Expansion Project for Smelter and for Alumina Mines at Damanjodi, Orissa for NALCO; and
- Phase II Expansion Project for Smelter and for Alumina Mines at Angul, Orissa for NALCO.

Infrastructure

We provide engineering, project management and construction management services, third party inspection services, "independent engineer" services, technical audits and other related services for infrastructure development projects involving urban development, including airports, highways, flyovers, bridges, water and sewer management, as well as energy-efficient "intelligent" buildings.

We have provided a range of engineering consultancy services on various infrastructure development projects for clients such as State Trading Corporation ("STCorp"), Council of Scientific and Industrial Research ("CSIR"), Petroleum Conservation Research Association ("PCRA"), Apparel Export Promotion Council ("AEPC"), Indira Gandhi National Open University ("IGNOU"), Oil Industry Development Board ("OIDB"), Defence Research and Development organization ("DRDO"), Housing and Urban Development Corporation Limited ("HUDCO"), Airports Authority of India ("AAI"), OIL, DIAL, MIAL, Ministry of Home Affairs ("MHA"), GoI, as well as for various municipal bodies such as the DJB, the MCD, the New Delhi Municipal Council ("NDMC") and the Pune Municipal Council.

We have provided engineering consultancy services for the following key projects:

- Complete township/ colony, non-plant buildings and related infrastructure for Ordinance Factory at Nalanda for the Defence Research & Development Organization ("DRDO");
- Lender's engineer services for Delhi - Gurgaon six lane expressway highway for HUDCO and expressways in Raipur - Aurang and Lucknow - Sitapur for State Bank of Travancore;
- Third party inspection and quality works for eight flyovers of Public Works Department in Delhi; and
- Third party inspection and quality works for Sardar Sarovar Narmada Nigam Limited ("SSNNL") for lining of canals and allied hydraulic structures.

We are currently providing engineering consultancy services for the following projects:

- Independent engineer services for modernization and restructuring project of the Mumbai and Delhi Airports;
- PMC services for Interceptor Sewer Project along Najafgarh, Supplementary and Shahdara drains for the abatement of pollution in River Yamuna for DJB;
- PMC services for Rugby Stadium for Commonwealth Games for the University of Delhi;
- PMC services for Urban Redevelopment Project at Connaught Place for NDMC;
- PMC services for Rajeev Gandhi Institute of Petroleum Technology (RGIPT) at Rai Bareli, Uttar Pradesh and Sibsagar, Assam; and
- Third party inspection services for Indo Bangladesh Border Fencing Project for MHA, GoI.

Power Projects

We have also worked on various power projects, including expansion projects for captive power plants of BPCL, co-generation plants at Uran for ONGC, as well as captive power plants at Lakwa, Vaghodia and Khere for GAIL.

Turnkey Projects

We provide a complete range of project services in connection with the conceptualization, planning, design, engineering and construction of projects. Subsequent to the commissioning of a plant, we also provide monitoring operations for plants and accumulate feedback on performance. We offer EPC services on our own as well as in association with other established equipment manufacturers and construction companies in India and internationally.

Key turnkey projects completed by us include:

- Panipat Naphtha Cracker Project - LLDPE / HDPE Swing Unit (EPCC - 3 Package) for IOCL;
- EPCC packages 1 and 2 for Integrated PX-PTA Project at Panipat for IOCL;
- D1 Well cum Water Injection Platform for ONGC;
- 3 Pipelines Project in Mumbai High North Field for ONGC;
- N-11, N-12 Well Platforms Project for ONGC;
- Mumbai High North Water Injection cum Gas Compression Platform (MNW) for ONGC;
- Mumbai High North Clamp on Project under Redevelopment scheme for ONGC;
- Water Injection Pipelines Replacement Project (WIPRP) Phase I for ONGC; and
- Bombay High Pipeline Replacement Project for ONGC.

Some of our ongoing turnkey projects are:

- Euro IV quality upgrading project at Chennai DHDT and NHT/ ISDM units for CPCL;
- PFCC Unit of Phase III refinery project at Mangalore for MRPL;
- Sulphur Block Project of Phase III refinery project at Mangalore for MRPL;
- Polypropylene Unit of Phase III refinery project at Mangalore for MRPL;
- Onshore gas processing complex at Mallavaram, East coast of Kakinada for GSPC; and
- Jetty and pipeline facilities project at Paradip for IOCL.

Strategic Initiatives

Water and Waste Management

We intend to leverage our track record in infrastructure projects to further expand our operations in the water and waste management sector by offering integrated water management solutions. We continue to focus on various projects in the water and waste management sector including water desalination and treatment projects for municipal and industrial use; urban water distribution projects comprising distribution of water through a network and related operation and maintenance activities; waste water collection; waste water treatment; waste water disposal; and residue disposal projects. We continue to target engineering consultancy and PMC opportunities in this field.

We have empanelled various consultants in this sector to enable us to provide integrated solutions for water and waste management projects. We have also registered with the ADB and World Bank.

In this sector, we are currently providing engineering consultancy services on several projects, including the Development of Interceptor Sewers for Abatement of Pollution in River Yamuna Project for DJB, the Delhi Drainage Systems Project for Irrigation and Flood Control Department of the Government of the National Capital Territory of Delhi ("GNCD"), the Sewerage System and STP Colonies Project for the Greater Ludhiana Area Development Authority and we continue to target opportunities with various municipal authorities across India.

City Gas Distribution

We believe that the increasing demand for natural gas as a fuel for city energy purposes, driven by higher cost of traditional fuel as well as lower levels of emission and higher energy efficiency of natural gas, will continue to result in an increasing demand for comprehensive gas infrastructure including city gas distribution networks in various metropolitan and other cities in India. In an endeavor to develop and fuel growth for the natural gas market, the GoI has established the Petroleum and Natural Gas Regulatory Board ("PNGRB") which has notified regulations for city gas distribution networks for supplying gas to compressed natural gas stations and piped natural gas to residential, industrial and commercial consumers. These regulations, among other matters, deal with the authorization of city gas distribution networks, exclusivity and tariff determination. Currently city gas distribution networks are operative in multiple cities including Delhi, Mumbai, Indore, Pune, Vijayawada, Vadodara, Surat, Ankleshwar, Ahmedabad and Kanpur. The PNGRB has commenced expansion of city gas distribution networks to various cities across India. PNGRB has planned to bring about 243 cities across the country under city gas distribution network in the next five years.

We believe that given our track record of providing engineering consultancy and EPC services for urban infrastructure projects and cross-country hydrocarbon pipelines, the city gas distribution sector provides attractive opportunities for us and we intend to pursue strategic city gas distribution projects through equity investments to own and operate such networks. We intend to pursue bids for the development and operation of new city gas projects and also continue to evaluate strategic joint venture arrangements with other entities that are currently operating in this sector for equity investment opportunities.

Power

Thermal. We intend to leverage our extensive technology capabilities and our experience in providing engineering consultancy services for various captive power projects to undertake consultancy services for balance of plant ("BOP") packages for large power plants in India. We continue to explore investment opportunities as an owner and operator in the power sector for the establishment of small and mid-sized gas-based power plants.

Solar. We believe that the solar power sector presents opportunities for engineering consultancy and EPC services, particularly following the announcement of the Jawaharlal Nehru National Solar Mission ("JNNSM") Policy in November 2009. We have identified and continue to focus on technology development programs and intend to actively pursue opportunities in this sector for photovoltaic power plants, entering into agreements with CSP technology providers and participating in competitive bidding for solar energy projects.

Nuclear. We intend to expand our operations to target strategic engineering consultancy opportunities in the nuclear power sector, focusing on BOP area engineering. We also intend to pursue collaborative efforts with relevant technology providers to participate in balance of plant area engineering opportunities on projects developed by ITER, an international scientific and technical collaboration represented by various jurisdictions, of which India is a member state.

Gas-based fertilizer projects

We believe that the increasing demand - supply gap for urea and ammonia and other gas based fertilizers in India and internationally will continue to result in an increasing demand for fertilizer projects and engineering consultancy and EPC services for such projects. We intend to provide a broad range of engineering consultancy services for gas-based fertilizer projects in India and internationally and explore EPC opportunities in this sector through consortium arrangements.

We intend to expand our operations in the gas-based fertilizer sector by strengthening our domain knowledge in this market and developing technology capabilities focused on ammonia and urea processing through in-house development as well as licensing arrangements with relevant technology providers. Initially we intend to explore pre-project opportunities, including PFR and DFR as well as specialist services including, among others, energy audit and HSE studies for such projects. We intend to target fuel / feed conversion projects both for Naphtha based projects and FO/ LSHS based projects, revival of closed units of public sector gas-based fertilizer plants in India, and reconstruction and expansion projects in the fertilizer sector.

Coal to Liquid

We intend to leverage our refining technology capabilities to position ourselves as a leading consultant for coal-to-liquid projects in India. The GoI has recently introduced various coal-to-liquid initiatives and allocated coal blocks on long term leases for coal-to-liquid projects using the indirect liquefaction process i.e. using coal gasification technology to generate synthesis gas which is liquefied using the Fischer Tropsch (“FT”) technology to produce liquid hydrocarbon products such as LPG, Naphtha and diesel. This process can be used for even high ash content coal which is in abundant supply in the coal belt of Orissa. In addition to the indirect liquefaction process, it is possible to use the direct liquefaction process in coal-to-liquid projects by using coal slurry hydrogenation technique which has been found to be suitable for low ash content coal typically found in Assam.

We intend to explore engineering consultancy opportunities on coal-to-liquid projects, such as those proposed by the Tata-Sasol joint venture and JSPL. We intend to focus on PMC, EPCM and EPC contracts services for such projects. In this connection, we continue to target potential clients and have recently been engaged for site selection consultancy by the Tata-Sasol joint venture for its proposed coal-to-liquid project based on the indirect liquefaction process. We have also completed the pre-feasibility report for a direct liquefaction process coal-to-liquid project for OIL.

We continue to develop our domain knowledge in this sector and our in-house technology capabilities for such projects, both for the indirect and direct liquefaction processes. We continue to focus on developing our expertise in this area by accessing and assimilating gasification technologies available from third party technology providers. We have acquired membership of the Gasification Technology Council of USA to gain access to key information on gasification technology in order to supplement our technology development programs in this field. We have also initiated a technology development program with BPCL to indigenously develop capability to design the Syngas clean up and FT technology by carrying out pilot plant experiments on various coal and coal blend samples.

Pre-qualification, Project Tenders and Marketing

In selecting contractors or consultants for major EPC projects, clients generally limit the tender to contractors they have pre-qualified based on several criteria including experience, technological capacity and proven track record, reputation for quality, safety record, financial strength and size of previous contracts in similar projects. The price competitiveness of the bid following pre-qualification is usually an important selection criterion. Pre-qualification is key to our winning bids for projects and we continue to develop on our pre-qualification status through concentrated marketing efforts aimed at major energy conglomerates and infrastructure development agencies and entities.

Because of the cost and management resources required in preparing a bid for a contract, whether turnkey or for a specified scope of engagement, we only bid for selected projects. Each project is carefully analyzed and prior to bidding, we estimate the costs and analyze the financial and technical aspects of the project. In evaluating bid opportunities, we consider such factors as the client's reputation and financial strength, previous association, the geographic location and the difficulty of the work, whether financing arrangements for the proposed project have been finalized, our current and projected workload, the likelihood of additional work, the project cost and profitability estimates, and our competitive advantage relative to other potential bidders. The bid estimate forms the basis of a project budget against which performance is tracked through a project cost system, enabling management to monitor projects continuously.

Our marketing operations are extended at the regional levels with strategic and supervisory support from the corporate offices in New Delhi. We have established regional offices at Kolkata, Chennai and Vadodara, a branch office at Mumbai and regional procurement offices at Pune, Ahmedabad, Hyderabad, Visakhapatnam, Trichy and Bangalore. We have also established strategic presence in London, Milan and Shanghai for procurement support and gaining market knowledge. We have a project engineering office at Abu Dhabi, which acts as an engineering hub for the entire Middle East region. We continue to capitalize on this international presence to develop and maintain relationships with energy conglomerates, engineering companies, infrastructure developers and other EPC contractors. We currently provide construction management at various locations, and our resident construction managers at these locations are able to identify and alert us to potential opportunities in such locations.

Our Markets

India

Historically, most of our operations have been focused in India. The high demand for crude and refined oil and gas and derivative products in India is expected to result in several large oil and gas exploration, production and transportation projects as well as refinery projects in this region, including pipeline projects and several LNG import terminals. Further, low operating costs of refinery facilities in India are expected to contribute to the growth in refinery projects in South Asia. In addition, the GoI's focus and increased budgetary allocation and increased funding by international and multilateral development finance institutions for infrastructure development has resulted in or is expected to result in various infrastructure projects in India. In the years ended March 31, 2008, 2009 and 2010, approximately 87%, 92% and 95% of our income from operations were attributable to projects in India.

International Operations

We have over the years implemented several projects in, and intend to further expand our operations in, key regions outside India. These jurisdictions include the Middle East, North Africa and South East Asia.

Middle East

Heightened exploration, production and transportation activity in the energy sector in the Middle East has resulted in the development of several oil and gas projects as well as several infrastructure projects.

We commenced operations in the Middle East region in the year 1973 as a subcontractor to Snam Progetti for the 2 million MTPA Shiraz Refinery. We intend to leverage our track record in the energy industry to focus on all verticals of the oil and gas industry as well as the non-ferrous mining and metallurgy sector in the Middle East. We intend to build on our experience in the Middle East and continue to focus on projects in the United Arab Emirates, Qatar, Kuwait, Oman, Bahrain and Saudi Arabia and, based on specific project opportunities, in other countries in the region. We continue to further strengthen our offices in Abu Dhabi to develop a marketing hub for projects and other strategic opportunities in the Middle East. We continue to evaluate strategic joint venture arrangements, particularly with equipment providers, to target EPC projects in the region.

In this region, we have completed several projects, including the following:

UAE

- FEED and EPC phase of two Additional Tanks Farm Upgrade Project at Jebel Dhanna for Abu Dhabi Company for Onshore Oil Operations ("ADCO");
- Integrity Enhancement of Fire Protection System Phase I and II for Takreer;
- 48" 125 km Maqta – Taweelah - Jebel Ali Gas Pipeline Project of Atheer, a subsidiary of ADNOC;
- Inter Refineries Pipeline Project for Takreer; and
- Gasoline Production Facilities Project for Iso-Octane Company.

Bahrain

- Modernization of Sitra Marketing Terminal of Bahrain National Oil Company ("BANOCO");;
- Consultancy Services for New Compressor Station (CS-7) Project of BANAGAS; and
- Technical assistance to BANOCO, Gulf Petrochemicals Industries Co. ("GPIC"), RAMASIS.

Kuwait

- Health check for three refineries of KNPC;
- Efficiency improvement for 29 heaters, four boilers and an incinerator for Shuaiba Refinery;
- Tankages Restoration Project at Shuaiba Refinery of KNPC;
- Flare Gas Recovery Project for Shuaiba Refinery of KNPC;
- Fuel Oil Supply for Mina-Al-Ahmadi Refinery of KNPC;
- Instrument Modernization Project of KNPC;
- HAZOP studies for all units of Shuaiba Refinery;
- Engineering services contract for Equate Petrochemical Company; and
- Engineering services to Tecnimont, Italy for Aromatics Complex Project of Kuwait Aromatics Company.

Qatar

- Consolidated Topsides Improvement Project of Qatar Petroleum ("QP");
- Topsides Upgrade (TUP) Project of QP;

- Formation Water Disposal and Crude Stabilisation Project at PS2/3 and Halul of QP;
- Engineering design services for Messai Eed NQFP Debottlenecking Project Phase I and II of QP;
- Bul-Hanine and Meydar Mahzam Offshore Projects of QP;
- General Engineering Services Contract with Qatar Petrochemical Company ("QAPCO"); and
- NODCO Refinery Expansion Project.

Oman

- Study of Oman –India Gas Pipeline Project;
- Feasibility study for setting up a Delayed Coker Unit in Oman for Astral Calcining Corporation Limited
- EIA study for Sohar Refinery Company;
- Consultancy services to Sohar Refinery Company for adequacy check of equipment and structures for increased wind load;
- Preparation of feasibility study and FEED package for Bitumen Production Project of Sohar Refinery;
- Value Maximization Study for Sohar Refinery of Oman Refineries and Petrochemicals Limited ("ORPC"); and
- Technical Assistance to Oman Oil Company ("OOC").

Saudi Arabia

- Engineering services for R&D Technology Centre at Al - Jubail, SABIC Saudi Basic Industries Corporation ("SABIC");
- Detailed Energy Assessment Studies for Ras Tanura, Jeddah Refinery and Berri and Uthmaniyah Gas Plants of Saudi Aramco; and
- Technical assistance to SABIC.

We are currently executing the following projects in this region:

UAE

- PMC services for NGL Pipeline Replacement Project of Abu Dhabi Gas Industries Limited ("GASCO");
- PMC services for Borouge -2 Project of BOROUGE; and
- PMC services for ABBR Modification Project of GASCO.

Bahrain

- Consultancy services for Reduction Line 1 and 2 Rectiformer Replacement Project of Bahrain Aluminum.

North Africa

We commenced operations in Africa in 1978 through project monitoring services for SONATRACH. We intend to expand our presence in this strategically important region as it has oil and gas reserves and potential for engineering and construction projects in the energy industry and infrastructure sector. We have provided a range of engineering consultancy services on several petroleum refinery projects and onshore oil and gas projects in North Africa, particularly in Algeria, and intend to leverage this experience to further expand our operations in other countries in the region including Ghana, Nigeria and Kenya. We have recently been awarded several projects in Algeria, and we expect our revenues from projects executed in Africa, particularly Algeria, to increase in the future. We intend to consolidate on our track record in this region to target EPC contracts in the oil and gas sector, particularly for refinery and other onshore projects.

Key projects we have worked on in this region include:

- PMC services for the rehabilitation of Algiers refinery for National Company of Oil Refinery ("NAFTEC") Spa, Algeria (subsequently merged with Société Nationale pour la Recherche, la Production, le Transport, le Transformation, et la Commercialisation des Hydrocarbures s.p.a. ("SONATRACH"));
- PMC Services to SONATRACH for various projects; and
- Training to SONATRACH engineers on DCS/advanced control.

We are currently executing the following projects in this region:

- PMC services for the rehabilitation and adaptation of Skikda refinery of SONATRACH in Algeria;
- Development of engineering capabilities and PMC services for condensate topping and LNG plant of SONATRACH in Algeria; and
- PMC services for the rehabilitation and adaptation of Algieria Refinery of SONATRACH in Algeria.

South East Asia

South East Asia continues to be a geographic area of keen interest for us due to the relative abundance of undeveloped natural gas resources, growing demand for natural gas for power generation and industrial and residential usage and our past success in the region.

We commenced operations in South East Asia in 1982 through technical advisory services provided to Sabah Gas Industries. We intend to consolidate our operations in various jurisdictions in this region including Malaysia, Indonesia, Singapore, Thailand, Vietnam and Philippines. We have established a wholly-owned subsidiary in Malaysia, EIL Asia Pacific Sdn. Bhd. However, the operations of this subsidiary have been affected by local regulations issued by the Bhumiputra. We continue to leverage our track record in South East Asia to further expand our operations into neighboring markets.

In this region, we have completed several projects, including the following:

Malaysia
- PMC services for VCM Project in Malaysia of Vinyl Chloride (Malaysia) Sdn. Bhd.; and
- PMC services for Fertilizer Project of Petronas Fertilizer (Kedah) Sdn. Bhd.

Vietnam
- Engineering for Gas Compression Platform in White Tiger Field Offshore, Vietnam for Samsung Heavy Industries, Korea.

Other Markets

We also intend to expand our operations to Latin America, particularly in Brazil and Venezuela, focusing on oil and gas projects and mining and metallurgy projects, while we continue to evaluate various entry strategies.

Competition

We operate in competitive markets. The principal factors affecting competition include: customer relationships; technical excellence or differentiation; price; service delivery including the ability to deliver personnel, processes, systems and technology as required including local content and presence; service quality; health, safety and environmental standards and practices; financial strength; breadth of technology and technical sophistication; risk management awareness and processes; and warranty. The level of competition varies, depending on the industry or business vertical, as well as the size, nature and complexity of the project and the geographical region in which the project is to be implemented.

We compete against U.S., European, Japanese and Korean engineering and construction companies or their regional operating entities as well other regional engineering and construction companies, including those in India. In the mining and metallurgy sector and in the infrastructure sector, our competitors include various Indian engineering and construction companies. Some of our competitors have greater financial and other resources and better access to capital than we do, which may enable them to compete more effectively for large-scale project awards.

For EPC contracts, we are currently qualified to bid for projects up to a certain value. Although the value of projects for which we are able to compete for has increased in recent years, we may be unable to compete with international engineering and construction conglomerates for high value contracts. However, on some projects that are of comparatively lesser value, we compete with these international

EPC contractors or their regional operating entities. Depending on various factors, including our prior experience on such projects and the extent of our operations in the relevant geographical region, we are able to leverage our local experience, established contacts with local clients and suppliers, and familiarity with local working conditions to provide more cost effective services than our competitors or offer a superior value proposition. Since a large part of our operations are based in India, we also benefit from lower overheads to our operations as compared to our European or U.S. competitors.

Joint Ventures and Strategic Alliances

We enter into joint ventures and alliances with other industry participants in order to reduce and diversify risk, increase the number of opportunities that can be pursued, capitalize on the strengths of each party, expand or create the relationships of each party with different potential customers, and allow for greater flexibility in choosing the preferred location for our services based on the greatest cost and geographical efficiency.

TEIL Projects Limited

TEIL Projects Limited ("TEIL") was established in India as a joint venture company with Tata Projects Limited in 2008. Each joint venture partner currently holds a 50.00% equity interest in TEIL. Further capital contribution in TIEL is required to made in the same ratio. Through TIEL we intend to target small EPC projects in India and expand our operations in other related areas, including power and waste heat recovery. We entered into this joint venture to enable us to provide enhanced construction and fabrication capabilities that complement the core strengths of the joint venture partners.

Tecnimont EIL Emirates

In 2008, we established Tecnimont EIL Emirates - Consultores E Servicos, Lda. (formerly Lihatonbur Consultores E Servicos, Sociedade Unipessoal, Lda.) ("Tecnimont EIL") in Portugal as a joint venture with Tecnimont S.p.A. of Italy to jointly pursue PMC and EPC projects in the oil and gas industry in the U.A.E., as well as utilities and offsite facilities. We currently have a 30.00% equity interest in Tecnimont EIL, while Tecnimont S.p.A. holds the remaining 70.00% interest.

Other Strategic Alliances

In connection with the bidding process for certain larger or more technically complex projects, we may enter into single-project joint ventures or strategic alliances with other engineering and construction or technology companies to share risks and combine financial, technical and other resources. Typically, we seek one or more joint venture or strategic alliance partners when a project requires local content, equipment, manpower or other resources beyond those we have available to complete work in a timely and efficient manner or when we wish to share risk on a particularly large project. In a single-project joint venture or strategic alliance, each member of the joint venture or strategic alliance shares the risks and revenues of the project, according to a predetermined agreement. Our joint venture and strategic alliance agreements identify the work to be performed by each party, procedures for managing the joint venture, the manner in which profits and losses will be shared by the parties, the equipment, personnel or other assets that each party will make available to the joint venture and the method by which any disputes will be resolved. Although joint ventures and strategic partnerships often impose joint and several liabilities on the partners, we seek to ensure that such liabilities are contractually limited to the scope of work of each party in the joint venture. We have also entered into various joint development arrangements and strategic alliances in connection with the commercialization of technology or products and processes developed by us, or for the licensing of or joint-development of engineering technology from third parties.

The following table provides certain information relating to various current strategic alliances or memoranda of understanding:

Organization	Purpose
Kamal Engineering Corporation Limited, Haryana	Fabrication of cast and glass air pre-heaters, developed in-house by us
Evergreen Wirecloth Factory Limited, Mumbai and Indian Oil Corporation Limited, New Delhi	Development, testing and commercialization of continuous film contractor for application in petroleum refineries (contract renewal in process)

Department of Science and Industrial Research, New Delhi; National Research Development Corporation, New Delhi; Indian Institute of Chemical Technology, Hyderabad	Development, testing and commercialization of membrane technology for natural gas purification
GAIL (India) Limited, New Delhi	To jointly bid for natural gas projects covering gas processing, gas and LPG pipeline, petrochemicals, power, E&P and other areas in the natural gas value chain
Oil and Natural Gas Corporation Limited, Mumbai	Various engineering activities
Worley Parsons International, Inc, USA ("Worley Parsons")	Promotion of customers in the Indian market with certain proprietary technology of Worley Parsons and our design capabilities
Marsulex Environmental Technologies Corporation, USA	Joint promotion of ammonium sulfate desulfurization technology in refinery FCCU and other applications
ITER- India, Institute for Plasma Research, New Delhi	Cooperation in International Thermonuclear Experimental Reactor ("ITER") Projects
Petron Scientech, Inc., USA	Collaboration involving the use of proprietary technologies of Petron Scientech Limited

Significant Clients

We provide services to a diverse client base, including Indian and international oil and gas companies, independent refiners, petrochemical producers, fertilizer producers and the GoI. Our business is aligned into two principal operating segments: the Consultancy and Engineering Projects segment and the Lumpsum Turnkey Projects segment. In our Consultancy and Engineering Projects segment, we provide a range of engineering consultancy and project implementation services. In our Lumpsum Turnkey Projects segment, we undertake EPC projects on a lump-sum turnkey contract basis.

In our Lumpsum Turnkey Projects segment, total income from a single client frequently contributes a significant portion of our segment income. This is due in part to the fact that most turnkey projects are high value with considerable amount of pass-through costs included in the computation of our segment income, as well as because revenues on these projects depend on the stage of completion they are in. In contrast, in the Consultancy and Engineering Services segment, it is uncommon for a client to contribute 15% or more of total income in the Consultancy and Engineering Services segment in any given fiscal year. However, we may from time to time perform a number of engineering consultancy projects for a single client in the same fiscal year, which may cause total income from that client to exceed 15% of our total income in the Consultancy and Engineering Services segment.

Order Book

Our Order Book comprises anticipated revenues from the unexecuted portions of existing contracts (including signed contracts for which all pre-conditions to entry into force have been met and letters of acceptance issued by the client prior to execution of the final contract) as of a particular date. Our Order Book as of March 31, 2010 was Rs.62,368.4 million. In addition, subsequent to March 31, 2010, we have been awarded several contracts. The following contract summaries describe projects representing a majority of our current Order Book. These contracts generally are (i) OBE contracts convertible to an LSTK contracts to provide detailed engineering, procurement, supply, construction, installation, testing, commissioning and design services; (ii) fixed price contracts; or (iii) cost reimbursable contracts.

LSTK and OBE contracts convertible to LSTK

Petro-FCC Unit of MRPL. This project is part of MRPL's Phase-III Expansion Project, which was awarded to the Company on OBE basis.

Sulfur Block Unit of MRPL. This project is part of MRPL's Phase-III Expansion Project, which was awarded to the Company on OBE basis.

Poly Propylene Unit of MRPL. This project is part of MRPL's Phase-III Expansion Project, which was awarded to the Company on OBE basis.

DHDT/NHT/ISOM Units of Chennai Petroleum Corporation Limited (CPCL). This project is part of CPCL's Fuel quality upgrading (Euro-IV) project awarded to the Company on OBE basis.

LLDPE/HDPE Unit at Panipat of IOCL. This project is part of IOCL's Panipat Naphtha Cracker Project, which was awarded to the Company on LSTK basis.

Fixed price contracts

Guru Gobind Singh Refinery Project of HPCL-Mittal Energy Limited (HMEL). This is a grassroots refinery complex for processing 9 MMTPA crude at Bhatinda, Punjab, with crude import facilities and a cross-country pipeline running from Mundra to Bhatinda for the transportation of crude. Our scope of services involves providing EPCM services for this complex.

Central India Refinery Project of Bharat Oman Refineries Limited (BORL). This is a grassroots refinery complex for processing 6 MMTPA crude, with crude import facilities at Mundra and a cross-country pipeline running from Mundra to Bina for the transportation of crude. Our scope of services involves providing EPCM services for this complex.

Phase-III Expansion Project of MRPL. This project involves a refinery expansion of up to 15 MMTPA and product quality upgrading facilities (Euro-III/Euro-IV specification for diesel), and residue upgrading facilities. Our scope of work involves providing PMC services for the entire project and EPCM services for utilities and off-sites, as well as HCU revamp.

Dabhol-Bangalore Pipeline Project of GAIL. This is a gas pipeline project from Dabhol to Bangalore. Our role is the provision of EPCM services for this project.

Quaswaria Gas Field Development Project of ADCO. This is a gas field development project of ADCO, Abu Dhabi, where NPCC was the selected EPC contractor. NPCC engaged the Company in March 2010 for detailed engineering services as well as for field engineering support.

Cost/rate reimbursable contracts

Assam Cracker Complex of BCPL. This is a grassroots petrochemical complex in Assam. Our role is the provision of EPCM services for this project.

Rehabilitation and Adaptation of Algiers and Skikda Refineries of NAFTEC (subsequently merged with SONATRACH). This is a FEED and PMC services contract on rate reimbursable basis.

Dahej Petrochemical Complex of Opal. This is a grassroots petrochemical complex at Dahej. Our role is the provision of PMC services for this project.

For further information on our Order Book, please refer to "Management's Discussion and Analysis of Financial Condition and results of Operations – Order Book" on page 176.

Equipment and Materials

Equipment and materials essential to our business are available from various sources. The principal materials we use in our EPC contracts include structural steel, metal plate, concrete, cable and various electrical and mechanical components. The principal equipment and materials we use in our business are subject to availability and pricing fluctuations due to customer demand, producer capacity, market conditions and material shortage. We monitor the availability and pricing of equipment and materials on a regular basis. Our procurement department actively leverages our size and purchasing power to ensure that we have access to key equipment and materials at the best possible prices and delivery schedule. While we do not currently foresee any lack of availability of equipment and materials in the near term, the availability of these items may vary significantly from year to year and any prolonged unavailability or significant price increases for equipment and materials necessary to our projects and services could have a material adverse effect on our business.

Technology and Research and Development

We are a technology driven organization and have developed or have the right to license leading technologies, which we license to our clients in the oil and gas and petrochemical industries. We have developed 30 process technologies either on our own or in collaboration with our clients and reputed research institutions. We currently hold ten patents and have 20 pending patent applications relating to various process technologies and hardware developed by us. Our portfolio includes various technologies for petroleum refining, oil and gas processing and aromatics.

We own and operate a research and development complex at Gurgaon which was established in 1988 as part of an initiative of the Scientific Advisory Committee of the MoPNG for the development of indigenous hardware and process scale-up capabilities. Our research and development center at Gurgaon has enhanced our capabilities for process design engineering, heat and mass transfer equipment designs, integrated systems evaluation in among other areas, refineries, petrochemicals, gas processing and metallurgy.

Technologies developed by us and held under license from third parties for further sub-licensing include, among others, (i) in relation to petroleum refining processes, crude distillation, vacuum distillation, bitumen blowing, visbraking, hydrotreating (naphtha, kerosene / ATF and diesel), reformers and isomerisers, (ii) in relation to oil and gas related technologies, gas sweetening, gas dehydration, dew point depression, gas transportation, LPG and ethane/ propane recovery units, and (iii) in relation to aromatics, naphtha splitter, benzene toluene extraction and fractionation and xylene fractionation. We have expertise in the distillation area and have created a data bank on distillation processes at our research and development facilities in Gurgaon. We have also developed expertise relating to ejectors, eductors, incineration, non-ferrous metallurgy and furnaces.

The following table provides certain information relating to technology developed either on our own or in collaboration with our clients and reputed research institutions:

Technology	Own Technology/ Collaborators	Status
Visbreaking (coil and soaker)	Indian Institute of Petroleum ("IIP")	Developed and commercialized
Delayed coking	IIP	Developed and commercialized
Delayed coking	IOCL Research and Development ("IOCL R&D")(sour crude)	Ready for commercialization
Solvent dewaxing/de-oiling	IIP	Commercialized
Solvent deasphalting	IIP	Commercialized
SDA with supercritical solvent recovery	IIP, HPCL	Technology successfully demonstrated
Lube extraction	IIP, CPCL	Commercialized
Sulpholane extraction for BT recovery/ food grade Hexane production	IIP	Commercialized
Tetra-Ethylene Glycol Extraction for BT recovery	Own technology	Commercialized
Raffinate/ Light Naphtha Hydrotreating for FG Hexane	IOCL R&D	Commercialized
Gas cracking for Ethylene	IPCL	Demonstrated furnace performance in commercial unit
Diesel Hydrotreating	IOCL R&D	Engineering / construction of first commercial unit under progress
Gas sweetening (MDEA based)	Own technology	Commercialized
Sulphur recovery (Claus)	Own technology	Commercialized
Sulphur recovery (tail gas treating)	Own technology	Under construction
Sulphur recovery (enriched air)	CPCL	Technology successfully demonstrated; engineering / construction of another unit under progress
N-Paraffin from kerosene	IIP	Commercialized
Naphtha isomerisation	IOCL-R&D	Engineering / construction of first Commercial unit in progress

Bitumen blowing	IOCL-R&D	Commercialized
Sulphur recovery (liquid phase oxidation)	GNFC	Design capabilities developed; catalyst in commercial use
Catalytic degassing of sulphur	Own technology	Commercialized
LPG sweetening using continuous film contactor (CFC technology)	IOCL R&D	Commercialized
Membrane separation of CO2 from natural gas	IICT	Demonstration unit set up; performance meets design requirements; ready for commercialization
SO2 removal from tail/flue gases-regenerative process	IIP	Ready for commercialization
LPG and/or C2/C3 recovery from natural gas	Own technology	Commercialized
LPG and/or C2/C3 recovery from LNG	Indian Institute of Chemical Technology ("IICT")	Ready for commercialization
LPG recovery (absorption process)	Own technology	Under implementation
Condensate Fractionation	Own technology	Commercialized
Spent caustic treatment	Own technology	Demonstrated
Diesel desulphurisation adsorptive/ reactive process	IOCL R&D	Basic design and engineering package developed
Kero / ATF hydrodesulphurization	IOCL R&D	Basic design and engineering package developed

We believe our technology portfolio and experience in the commercial application of these technologies and related know-how differentiates us from other engineering construction companies, enhances our margins and encourages customers to utilize our broad range of engineering, procurement, construction and project management services. Our rights to make use of technologies licensed to us are governed by written agreements of varying durations, including some with fixed terms that are subject to renewal based on mutual agreement. Generally, each agreement may be further extended and we have historically been able to renew existing agreements before they expire. We expect these and other similar agreements to be extended so long as it is mutually advantageous to both parties at the time of renewal.

Intellectual Property

For technologies we own, we protect our rights through patents and confidentiality agreements to protect our know-how and trade secrets. We currently hold ten patents and have 20 pending patent applications relating to various process technologies and hardware developed by us.

We have also applied for trademark registration over our name and corporate logo and under the provisions of the Trademarks Act, 1999, in Classes 35, 37 and 42. Our trademark applications are currently pending.

Health, Safety and Environment

We are committed to internationally accepted best practices and comply with applicable health, safety and environmental legislations and other requirements in our operations in different jurisdictions. In order to ensure effective implementation of our practices, at every project all hazards are identified at various stages of the project life cycle. Associated risk is evaluated and mitigation measures are implemented by way of upgrading instrumented protective systems, optimizing inventory level and providing guidelines for emergency response planning.

We believe that all accidents and occupational health hazards can be prevented through systematic analysis and control of risks and by providing appropriate training to employees, contractors, subcontractors and communities.

Our employees work constantly and proactively towards eliminating or minimizing the impact of hazards to people and the environment. We encourage the adoption of occupational health and safety procedures as an integral part of our operations. Our health, safety and environment practices are implemented through the adoption of five principal processes:

- Rapid risk analysis, which analyzes the impact of a significant default situation resulting in release of hazardous materials and is used for obtaining applicable environmental clearances;
- Environmental impact assessment, which assesses the environment around a facility and the potential impact of facility development and is also required for obtaining requisite environmental clearances;
- Hazard identification ("HAZID") studies, which analyzes the equipment layout and enables hazardous area classification to assess and address associated operational hazards;
- Hazard and operability ("HAZOP") studies, which involve the investigation of the design of facilities to identify design limitation for potential operational hazards and problems; and
- Safety integrity level ("SIL") studies, which evaluate the reliability of instrumented protective systems for avoiding release of any hazardous inventory.

The application of our health, safety and environmental accountability from each employee enforced through front–line supervision, incorporating safe work practices as standard operating procedures, and the philosophy that safety is an equal part of the business process. Regular training is carried out to provide and update knowledge of the employees on various project activities and related safety issues.

We have also demonstrated our commitment to protecting the environment by minimizing pollution, waste and optimizing fuel consumption towards continual improvement of environmental performance. We are in the process of obtaining environmental management system certification from the Quality Council of India.

We have received several awards in recognition of our commitment to health, safety and environmental standards across our operations. Our quality management systems have been certified ISO 9001-2008 by the IRQS for all the areas of EIL's services. We are committed to adhering to corporate HSE policies and safe working practices in the implementation of our projects. We have received several awards and certifications from various clients in relation to our projects. For example, we achieved 81.86 million man hours worked without any "lost time accident" for the Panipat Refinery Expansion Project and 75 million man hours worked without any "lost time accident" for the Panipat Naptha Cracker Project, as certified by our client IOCL. We are also a principal panelist for the development of various safety standards for the Oil Industry Safety Directorate under the MoPNG.

Insurance and Guarantees

We are typically required to provide performance guarantees guaranteeing our performance obligations in relation to a project (typically ranging between 5.0% and 20.0% of the contract value). We may also be subject to claims resulting from defects arising from engineering, procurement and/or construction services provided by us within the defect liability periods, which typically range between 12 and 24 months from the date of commissioning. We sometimes commit that the project, when completed, will also achieve certain performance standards. If we fail to complete the project as scheduled, or if the project subsequently fails to meet guaranteed performance standards, we may be held responsible for cost impacts to the client resulting from any delay or failure to achieve the required performance standards, generally in the form of contractually agreed-upon liquidated damages, which are typically capped at between 5.0% and 20.0% of the contract price. The amount of guarantee facilities available to us depends upon our financial condition and availability of adequate security for the banks and financial institutions that provide us with such facilities. In certain jurisdictions, we use letters of credit in lieu of performance and/or financial guarantees for projects.

Our insurance policies consist of workmen compensation policies, standard fire and special perils policies, all risk insurance policies, along with group personal accident insurance and overseas travel policies. Specifically, we maintain property insurance for loss and damage caused by standard fire, burglary/theft, and special perils (including terrorism) to certain of our properties, such as our head office in New Delhi and our research and development complex in Gurgaon. We have also obtained group personal accident, medical and overseas travel insurance for the benefit of our employees. Our clients and contractors maintain "contractor all risk" insurance which typically covers loss or damage to materials, equipment and contract works in projects.

Information Technology System

We have developed a robust IT network for secure and reliable information flow. We have made considerable investments in developing a secure and efficient information system including state of the art engineering design tools used in our EPCM business. We believe that our international proven process and engineering design software enable us to provide services to our clients.

Comprehensive home grown solutions are developed for project management, project planning, procurement and construction related issues. We also provide video conferencing systems to facilitate solving day-to-day construction related issues. Electronic document management system (EDMS), PDS and PDMS are used to provide better efficiency.

Our team of experts also provides IT services to other public sector undertakings in India and government organizations in the following areas:

- Total systems assignments from feasibility study to implementation;
- Customized software development;
- Networking, communications and network security planning; and
- Plant database (engineering documentation) system.

Awards

We have received various awards in relation to our performance, including the following:

- MOU Award (2003) from the GoI Ministry of Heavy Industries and Enterprises, Department of Public Enterprises (Merit Certificate in the Achievement of MOU Targets for the Year 2001 – 2002);
- "India's Most Admired Construction Company" 2008 Award by Construction World;
- Consultancy Development Centre (CDC) National Award for Excellence in Consultancy Services, 2004 (1st Prize) for the DVPL Project of GAIL;
- Amity International Business School, Noida ("AIBS") Amity Corporate Excellence Award for Model PSU in Realizing Infrastructure Revolution Through Consultancy Services, 2009;
- AIBS Amity HR Excellence Award for the Best Intellectual Human Resource Utilization Practices, 2009;
- Public Relations Society of India National Award (First Prize) for Annual Report, 2009;
- Standing Conference of Public Enterprises Meritorious Award for R&D, Technology Development and Innovation (2006-07); and
- National Petroleum Management Programme Award for Creativity and Innovation for CFC Technology jointly with IOCL, 1999.

We have received several awards in recognition of our commitment to health, safety and environmental standards across our operations. Our quality management systems have been certified ISO 9001-2008 by the IRQS for all the areas of EIL's services. We are committed to adhering to corporate HSE policies and safe working practices in the implementation of our projects. We have received several awards and certifications from various clients in relation to our projects. For example, we received recognition for 81.86 million man hours worked without any "lost time accident" for the Panipat Refinery Expansion Project and for 75 million man hours worked without any "lost time accident" for the Panipat Naphtha Cracker Project, as certified by our client IOCL. We are also a principal panelist for the development of various safety standards for the Oil Industry Safety Directorate under the MoPNG.

Employees

The Company has a qualified and professional employee base with over 3,300 employees, including 2,730 technically and professionally qualified employees as of March 31, 2010. As of March 31, 2010, approximately 2.0% of these full-time employees were located outside India. Many of our engineers are familiar with international work environment and cultures. Our personnel policies are aimed towards recruiting talented employees and facilitating their integration into the Company, encouraging the development of their skills and enhancing their geographic and professional mobility. We believe that we maintain good relationships with our employees, which has enabled us to avoid any industrial unrest and maintain a relatively low attrition rate. We have developed a structured incentive program, including a performance-linked variable pay structure for certain levels of employees. We are dedicated to the development of the expertise and know-how of our employees and have commenced a focused leadership development program. We have also invested resources to develop a comprehensive knowledge management infrastructure within our organization to effectively capture technologies and experience from our projects to develop an integrated knowledge management base. In June 2009, we launched "Aarohan", a leadership program designed to increase the leadership capabilities and competencies of our employees. We partnered with the consulting firm Accenture for the design and implementation of this program. Our "Leaders Groom Leaders" program leverages the existing internal talent pool and ensures that knowledge and skills of the senior level authorities is not only upgraded but also disseminated within the employees of the organization.

We believe that our qualified employee base is one of our most valuable assets and that the loyalty, productivity, pioneering spirit, work ethic and commitment of our employees to providing quality services have been important factors behind the successful implementation of our various projects in remote, logistically challenging locations around the world.

Property

Set forth below is a brief summary of significant immoveable properties where our registered corporate offices and our regional offices are situated:

Property/Location	Own or Lease or Assigned by client (if applicable)	Nature of Property Rights	Term of Lease
Registered & Head Office: Engineers India Bhavan, 1, Bhikaiji Cama Place, New Delhi 110066	Lease	Leasehold	In perpetuity
EI Annexe Office, 2B Bhikaiji Cama Place , New Delhi 110066	Lease	Leasehold	In perpetuity
Regional Office: Chennai 5th Floor, West Wing, CDMA Tower-I, Egmore, Chennai - 600008	License	License	Four years from April 1, 2006
Regional Office: Kolkata 33A, 16th Floor, Chowringhee Road, Kolkata	Own	Owned	n.a.
Regional Office: Vadodara Meghadhanush Complex, Transpek Circle, Race Course Road, Vadodara 390015	Own	Owned	n.a.
Branch Office: Mumbai Great Eastern Chambers 5th Floor, Plot No. 28, Sector 11 CBD Belapur, Navi Mumbai 400 614	Own	Owned	n.a
Research &Development; Gurgaon R&D Complex, Sector 16, Gurgaon 122 001, Haryana	Own	Owned	n.a

Corporate Social Responsibility

We have adopted a corporate social responsibility ("CSR") policy, pursuant to which we strive to operate our business in a socially-responsible manner, emphasizing accountability to our stakeholders. In line with this policy, we have created a CSR committee, focused on certain strategic CSR initiatives and have provided budgetary support for these activities. Our CSR program aims to assist socially and economically weaker segments of society, as well as define our Company as a socially-responsible business to employees, clients and other stakeholders. Consistent with the GoI's 11th Five Year Plan (2007-2012), our CSR projects for fiscal 2011 target various activities including in education, healthcare, drinking water and electrification of rural areas through solar power. We also consider environmental protection and women empowerment as strategic areas for our CSR initiatives. Our projects are selected on various criteria including, among others, project cost, number of beneficiaries, project duration, availability of resources and sponsorships, and sustainability. In fiscal 2010, we approved the amount of Rs.68.9 million, representing 2.0% of our profit after taxation for fiscal 2009, for various CSR activities, which was allocated for various projects.

REGULATIONS AND POLICIES

We are a company focusing on providing engineering consultancy services to businesses in various sectors including but not limited to petroleum refineries, oil and gas processing, metallurgical, fertilizer and pipelines, ports and terminals in India and overseas. We are subject to a number of central and state legislations which regulate substantive and procedural aspects of our business. Additionally, our activities require, at various stages, the sanction of the concerned authorities under the relevant state legislation and local bye-laws.

The following is an overview of the important laws and regulations, which are relevant to our business. The regulations set out below are not exhaustive and are only intended to provide general information to Bidders. The following is neither designed nor intended to be a substitute for professional legal advice. Taxation statutes such as the IT Act, Central Sales Tax Act, 1956 and applicable local sales tax statutes, labour regulations such as the Contract Labour (Regulation and Abolition) Act, 1970, Employees' Provident Fund and Miscellaneous Act, 1952 and other miscellaneous regulations and statutes such as the Trade Marks Act, 1999 apply to us as they do to any other Indian company. For details of government approvals obtained by us in compliance with these regulations, see the section titled "Government and Other Approvals" on page 196. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Regulation of Exploration and Production

Under Article 297 of the Constitution of India, jurisdiction over petroleum and natural gas occurring in their natural state in India, is vested in the Union of India. The Ministry of Petroleum and Natural Gas ("**MoPNG**") is the principal administrator of exploration and production of oil and natural gas in India. MoPNG is responsible for administering the exploration, production, distribution, marketing and pricing of petroleum resources, including crude oil and natural gas, and is also responsible for planning, development and regulation of oil field services.

The Directorate General of Hydrocarbons ("**DGH**") was established under the aegis of MoPNG in 1993, with the objective of promoting sound management of Indian petroleum and natural gas resources, with regard to the environment, safety, technological and economic aspects. Other bodies under the control of MoPNG include the (a) Oil Industry Development Board, which provides financial and other assistance for development of the oil industry; and (b) Centre for High Technology, which serves as a nodal data-gathering agency with respect to technological matters. In addition, the Directorate General of Mines Safety issues directions in respect of onshore petroleum mining installations.

Oilfields (Regulation and Development) Act, 1948 ("Oilfields Act")

The Oilfields Act governs Oil and natural gas exploration activities and provides for regulation of oilfields and development of mineral fuel oil resources. The Government of India, on September 1, 2006 designated the Directorate General of Hydrocarbons ("**DGH**") as the authority for grant of Petroleum Exploration Licenses ("**PEL**") and Petroleum Mining Leases ("**PML**") under the Oilfields Act.

Accordingly, the DGH, *inter alia* (a) reviews and monitors exploration programs and development plans for commercial discoveries of hydrocarbon reserves proposed by a licensee or lessee; (b) reviews management of petroleum reservoirs by a licensee or a lessee; (c) asks for and maintains geo-scientific data, reports and information from a licensee or a lessee; (d) reviews reserves discovered by a licensee or lessee in accordance with generally accepted international petroleum industry practices; (e) lays down norms for declaration or announcement of discoveries by a licensee or a lessee; and (f) monitors oil and gas production and payment of royalties, cess or other charges due to GoI. In the event the GoI executes a PSC, the DGH shall discharge its duties in accordance with and in a manner that is consistent with such PSC.

Oil Mines Regulations, 1984 ("Oil Mine Regulations")

The Oil Mine Regulations provide for the appointment of a manager and a safety officer for opening or working a mine. The owner, agent or manager of a mine is required to provide notice of events including opening, closure and accidents, to the Chief Inspector and to the Regional Inspector designated under the Oil Mine Regulations.

Approval is required from the Regional Inspector for building a new pipeline or making any significant alteration to any existing pipeline. The approval may be subject to any conditions which may be prescribed by the Regional Inspector.

Petroleum and Natural Gas Rules, 1959 ("PNG Rules")

The PNG Rules, notified by the GoI in pursuance of its authority under the Oilfields Act, provides the framework for grant of PELs and PMLs. The PNG Rules prohibit prospecting or exploitation of any oil or natural gas unless a license or lease has been granted under the PNG Rules. A PEL and PML entitle the licensee to an exclusive right to a lease for extracting oil and gas from the contract area. PELs and PMLs are granted by Ministry of Petroleum and Natural Gas ("**MoPNG**") for offshore areas, and by the relevant state governments, with prior approval of GoI, for onshore areas.

Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act, 1962 ("Pipelines Act")

The Pipelines Act provides the framework governing the acquisition of right of user in land for laying pipelines for the transportation of petroleum and minerals and other matters connected therewith. This law is limited to the acquisition procedure, restrictions on use of land and compensation payable to the persons interested in the land. Right of usage acquisition may be subject to such conditions as may be deemed fit by GoI in the public interest.

Petroleum and Natural Gas Regulatory Board Act, 2006 ("PNGRB Act")

The PNGRB Act provides for the establishment of the Petroleum and Natural Gas Regulatory Board ("**PNG Board**") as the authority to regulate refining, processing, storage and transportation (including laying of pipelines) of petroleum, petroleum products and natural gas. The PNG Board is also empowered to regulate distribution, marketing and import, export and sale of petroleum, petroleum products and natural gas. From October 1, 2007, the PNGRB Act has been extended to entities engaged in downstream petroleum activities as well.

Petroleum and Natural Gas Regulatory Board (Exclusivity for City or Local Natural Gas Distribution Network) Regulations, 2008 ("CGD Exclusivity Regulations")

Pursuant to the CGD Exclusivity Regulations, the PNG Board may grant an entity exclusivity for laying CGD Network over the economic life of the project, provided during the economic life, which is normally expected to be 25 years, of the CGD Network, consisting of network of pipelines, online compressors for compressing natural gas into CNG and other allied equipments and facilities, the entity carries further expansions required through pipeline capacity building as well as carries out replacements and upgradation of assets as and when necessary. Non-compliance with the prerequisites for grant of the exclusivity would entail levy or penalty and termination of the exclusivity period.

National Mineral Policy

In 2008, the Government of India approved a new National Mineral Policy designed to simplify India's mining regulations. The Policy enunciates measures, such as providing an assured right to next stage mineral concession, transferability of mineral concessions and transparency in allotment of concessions. The Policy also states that Private Public Participation will be the basis on which mining infrastructure will be built. The Policy discusses the need to make the regulatory environment conducive to private investment, such as the procedures for grant of mineral concessions of all types, including Reconnaissance Permits, Prospecting Licenses and Mining Leases. Further, the Policy states that security of tenure shall be guaranteed to the concessionaries along with transferability of concessions.

Environmental Regulations

The Environment (Protection) Act, 1986 ("**Environment Protection Act**"), Water (Prevention and Control of Pollution) Act, 1974 ("**Water Act**") and the Air (Prevention and Control of Pollution) Act, 1981 ("**Air Act**") provide for the prevention, control and abatement of pollution. Pollution Control Boards ("**PCBs**") have been constituted in all the States in India to exercise the authority provided under these statutes for the purpose of preventing and controlling pollution. Companies are required to obtain approvals of the relevant State PCBs for emissions and discharge of effluents into the environment. The Hazardous Waste (Management and Handling) Rules, 1989 ("**Hazardous Waste Rules**") include waste oil and oil emulsions under the definition of hazardous wastes and impose an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such hazardous wastes properly including proper collection, treatment, storage and disposal. The Hazardous Waste Rules were superseded by the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008, which were notified on September 24, 2008. Every person engaged in generating, processing, treating, packaging, storing, transporting or otherwise dealing with hazardous waste is required to obtain an approval from the PCB.

HISTORY AND CORPORATE STRUCTURE

Brief Corporate History of our Company

Our Company was originally incorporated in New Delhi on March 15, 1965 under the Companies Act as a private limited company under the name 'Engineers India Private Limited' pursuant to a formation agreement dated November 20, 1964 and in accordance with a memorandum of agreement dated June 27, 1964, both between the Government of India and BIC. Thereafter, the memorandum of agreement, the formation agreement and a subsequent technical services agreement entered into by our Company and Bechtel Overseas Corporation BOC were terminated by mutual consent in accordance with an agreement between the Government of India, BIC and BOC in May 1967. In accordance with the terms of this agreement our Company also entered into separate agreements for mutual release in June 1967 with BOC and BIC whereby the parties mutually agreed to forever discharge and release the other party and its officers, employees from all liabilities, obligations and duties under the terminated agreements.

Further, pursuant to a special resolution passed by the shareholders of our Company at an EGM held on October 30, 1996 our Company was converted to a public limited company.

For details in relation to our business, see the section "Our Business" on page 99.

Injunction or Restraining Order

As per the order of the High Court of Delhi in relation to a writ petition filed by Gujarat Lease Financing Limited in November 1996, our Company was directed to maintain *status quo* in respect of the disinvestment of equity shares of our Company. However, the disinvestment of our equity shares had been completed in October 1996 i.e. prior to the filing of the writ petition in November 1996. For details of the writ petition see the section "Outstanding Litigation and Material Developments – Litigation Involving our Company – Cases Filed Against our Company – Civil Suits – No. 12" on page 193.

Our Company is not currently operating under any injunction or restraining order.

Changes in the Registered Office

The registered office of our Company was situated at Allahabad Bank Building, 17, Parliament Street, New Delhi 1100 001, India and was shifted to PTI Building, 4 Sansad Marg, New Delhi 110 001, India in order to facilitate operational convenience. Subsequently, the registered office was shifted to its present location at Engineers India Bhawan, 1, Bhikaiji Cama Place, New Delhi 110 066, India by a Board resolution dated March 30, 1984 with effect from April 1, 1984 on account of the present location being our Company's owned premises.

Major Events

Calendar Year	Events
1965	• Incorporated pursuant to a formation agreement dated November 20, 1964 and in accordance with a memorandum of agreement dated June 27, 1964 both between the Government of India and BIC.
1967	• Termination of the agreements with BIC and acquisition of the equity shares of our Company held by BIC by the Government of India. • Commenced work in the refineries segment.
1969	• Commenced work in the petrochemicals segment.
1973	• Commenced work in the metallurgy segment and international operations.
1975	• Entered into offshore oil production.
1977	• Commenced work in the pipelines segment.
1978	• Commenced work in the oil and gas processing segment.
1984	• Commenced providing project management services.
1989	• Our Company set up its own research and development centre at Gurgaon.
1994	• Our Subsidiary, Certification Engineers International Limited was set up.

Calendar Year	Events
1996	• The Government of India disinvested about 6% of its holding in our Company through a private placement to certain banks, mutual funds etc.
1997	• Listing on the BSE and NSE. • Mini Ratna status accorded to our Company.
1998	• Commenced execution of lump sum turn key projects.
2000	• Listing on the Delhi Stock Exchange.
2001	• Commenced work in the infrastructure sector.
2002	• Our Company was awarded the "MOU Award" by the Government of India Ministry of Heavy Industries and Enterprises, Department of Public Enterprises (Merit Certificate in the Achievement of MOU Targets for the Year 1999-2000)
2003	• Our Company was awarded the "MOU Award" by the Government of India Ministry of Heavy Industries and Enterprises, Department of Public Enterprises (Merit Certificate in the Achievement of MOU Targets for the Year 2001 – 2002)
2004	• Commenced providing engineering engineering procurement construction management services in relation to sub-surface crude storages.
2006	• Delisting of our equity shares from the Delhi Stock Exchange.
2007	• Contracts on open book estimate and lump sum turnkey basis.
2008	• Strike by Engineers India Officers' Association and others. Our Company filed a civil suit in 2008 in relation to this strike. For details see the section "Outstanding Litigation and Material Developments – Outstanding Litigation/ Proceedings Involving our Company – Cases filed by our Company – Civil Suits no. 3" on page 191. • Our Company was awarded a Certificate of Merit as "India's Most Admired Construction Company" at the 6th Construction World – Annual Awards, 2008

Capital Raising Activities through Equity and Debt

Except for the offer to our employees in 1997 there have been no other capital raising activities through equity or debt. For details see the section "Capital Structure – Notes to the Capital Structure – Note no. 1" on page 63.

Changes in the Activities of our Company during the Last Five Years

There have been no major changes in the activities of our Company during the last five years.

Time and Cost Overruns

Considering the nature of business activities undertaken by our Company (which currently range from providing project management consultancy services to undertaking EPC contracts) our Company is not in a position to provide details of time and cost overruns that may have occurred since its incorporation in May 1965.

Main Objects

The main objects of our Company as contained in its Memorandum of Association are *inter alia* as set forth in the table below:

Clause	Particulars
3(1)	To establish, provide, maintain and perform engineering and related technical and consulting services for petroleum projects including but without limitation petroleum refineries, oil field developments, oil and gas pipelines, petrochemical facilities, chemical intermediates and all other types of industrial projects.
3(2)	To establish, provide, maintain and perform procurement, inspection, expediting, management of construction and related services in connection with the construction of industrial projects of all kinds.
3(3)	To carry on all kinds of business related to the design construction, maintenance and repair of all kinds of works and buildings of every nature.
3(4)	To carry on all or any of the businesses as assemblers, processors, repairers, finishers and manufacturers of and dealers in plant, machinery and equipment and tools of all description and components and accessories thereof, and in any similar or allied business and either in connection with any of the said businesses or as distinct or separate businesses.

3(5)	To produce, buy or sell in India or elsewhere in the world as importers, exporters, merchants, manufacturers, agents or otherwise any metals, minerals, mineral substances, chemicals, goods and materials, articles or appliances and generally to purchase, sell, deal in and supply as manufacturers, distributors, merchants, agents or otherwise all kinds of metals, minerals, mineral substances, chemicals, goods, products, appliances or other things which can be advantageously dealt in by the company to attain the foregoing objects, and to carry on operations or business of any nature which the company from time to time may deem fit or expedient to carry on in connection with its main business at any time being conducted and which may seem calculated or capable of being conducted so as to directly or indirectly benefit the Company.
3(8)	To build, construct, maintain, enlarge, pull down, remove, or replace, improve or develop and to work, manage and control any buildings, offices, factories, mills, foundries, refineries, furnaces, godowns, warehouses, shops, machinery, engines, roads, ways, railways/tramways or other means of transport, siding, bridges, reservoirs. Dams, water-courses, water systems, wharves, electric works, gas works, or works operated by any other kind of power and also such other machinery, equipment, conveyances, works and conveniences which may seem calculated directly or indirectly to advance the interests of the Company and to subsidise, contribute to or otherwise assist or take part in doing any of these things and/or to join with any other person or Company or with any Government or Governmental authority in doing any of these things.
3(9)	To apply for purchase or otherwise acquire, and protect and renew in any part of the world any patents, patent rights, brevets d'invention, trade marks, designs, licenses, concessions, and the like, conferring any exclusive or non-exclusive or limited right to their use, or any secret or other information as to any invention, which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem calculated directly or indirectly to benefit the Company, and to use, exercise, develop, or grant licenses in respect of, or otherwise turn to account the property, rights or information so acquired, and to expend money in experimenting upon, testing or improving any such patents, inventions or rights, and without prejudice to the generality of the above, any contracts, monopolies or concessions for or in relation to the supply and sale of any mineral, metals, products or other substances, materials, articles or things, for or in relation to the construction., execution, carrying out, equipment, improvement, management, administration or control of any works and conveniences required for the purpose of carrying out any of the aforesaid business and to undertake, execute, carry out, dispose of or otherwise turn to account such contracts, monopolies or concessions.
3(16)	To experiment and to incur expenses necessary for the purpose with a view to improve on the present method and process of working the several business which the Company is authorized to carry on and to carry on research for improving, developing or effecting economy and greater efficiency in the processes for the production, manufacture and working of or trading or dealing in the various substances, materials and articles and things or with ay of the businesses for which the Company is established.
3(17)	To purchase, take on lease or license or in exchange, hire or otherwise acquire any immovable and/or movable property and nay rights or privileges which the Company may think necessary or convenient for the purposes of its business or may enhance the value of any other property of the Company and in particular any land (of freehold, leasehold or other tenure) buildings, easements, machinery, plant and stock-in-trade and on any such lands to erect buildings, factories, sheds, godowns, or other structures for the works, and purposes of the Company and also for the residence and amenity of its employees, staff and other workmen and erect and install machinery and plant and other equipment deemed necessary or convenient or profitable for the purposes of the Company.

Changes to the Memorandum of Association of our Company

The following changes have been made to our Memorandum since incorporation:

Date	Nature of Amendment
October 7, 1994	Clause 5 was amended to reflect changes following the split of the face value of the equity shares from Rs. 100 to Rs. 10 per equity share and the increase in the authorised share capital from Rs. 20,000,000 divided into 200,000 equity shares of Rs. 100 each to Rs. 500,000,000 divided into 50,000,000 equity shares of Rs. 10 each.
September 22, 1999	Clause 5 was further amended to reflect the increase in the authorised share capital to Rs. 1,000,000,000 divided into 100,000,000 equity shares of Rs. 10 each.
April 22, 2010	Clause 5 was further amended to reflect the changes following the split of the face value of the equity shares from Rs. 10 to Rs. 5 per equity share and increase in our authorised share capital to Rs. 3,000,000,000 divided into 600,000,000 equity shares of Rs. 5 each.

Listing

The equity shares of our Company were listed on the BSE and NSE on October 20, 1997 and August 20, 1997, respectively pursuant to an offering to our employees, though the issuance of a statement in lieu of prospectus dated February 6, 1997, in accordance with the Companies Act. The equity shares of our Company were thereafter listed on the Delhi Stock Exchange Limited on February 21, 2000. Subsequently, on account of the lack of trading in our equity shares listed on the Delhi Stock Exchange our Company following the resolution of the shareholders passed at the AGM dated September 15, 2005 sought delisting from the Delhi Stock Exchange. Accordingly, our equity shares were delisted with effect from January 2, 2006 as intimated by the Delhi Stock Exchange.

The total number of shareholders of our Company as on July 8, 2010 was 66,526.

Holding Company

We do not have a holding company.

Our Subsidiaries

Our Company has two Subsidiaries, details of which are provided below. Neither of our Subsidiaries have been declared a sick company under the Sick Industrial Companies (Special Provisions) Act, 1985, as amended, and no winding up proceeding has been initiated against them. Further, no application has been made in respect of our Subsidiaries to the registrar of companies for striking off their name.

1. Certification Engineers International Limited ("CEIL")

CEIL was incorporated on October 26, 1994 under the Companies Act and has its registered office at Engineers India Bhavan, 1, Bhikaiji Cama Place, New Delhi 110 066, India. CEIL is primarily engaged in the business of providing services in the field of certification, re-certification, third party inspection, risk analysis, safety, energy and quality audits and vendor assessment.

Capital Structure as of June 12, 2010 is as follows:

	Aggregate Nominal Value (In Rs.)	
Authorised Share Capital		
200,000 equity shares of Rs. 100 each	20,000,000	
Issued, Subscribed and Paid-Up Share Capital		
100,000 equity shares of Rs. 100 each	10,000,000	
Share Premium Account	Nil	
Name of Shareholder	**No. of Equity Shares**	**% of Issued Capital**
Our Company	99,965	99.96
Mr. Ashok Kumar Purwaha	5	*Negligible*
Mr. Manoj Kumar Joshi	5	*Negligible*
Mr. Rakesh Kumar Grover	5	*Negligible*
Mr. Sudershan Gupta	5	*Negligible*
Mr. Deepak Moudgil	5	*Negligible*
Mr. Gordhan Das Goyal	5	*Negligible*
Mr. M.V.K. Kumar	5	*Negligible*
Total	**100,000**	**100.00**

Board of Directors

As of June 12, 2010 the board of directors of CEIL comprises Mr. Ashok Kumar Purwaha, Mr. Manoj Kumar Joshi, Mr. Sudershan Gupta, Mr. Deepak Moudgil, Mr. Gordhan Das Goyal and Dr. Avinash Chandra.

There are no accumulated profits or losses of CEIL which have not been accounted for by our Company.

2. EIL Asia Pacific Sdn. Bhd. ("EILAP")

EILAP was incorporated on February 21, 1994 under the Malaysian Companies Act, 1965 and has its registered office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar, Damansara Heights, 50460, Kuala Lumpur, Malaysia. EILAP Asia is primarily engaged in the business of providing technical services for projects in oil and gas and other industrial sectors.

Capital Structure as of June 1, 2010 is as follows:

	Aggregate Nominal Value (In RM)	
Authorised Share Capital		
500,000 shares of RM 1 each		500,000
Issued, Subscribed and Paid-Up Share Capital		
250,000 shares of RM 1 each		250,000
Share Premium Account		NA
Name of Shareholder	**No. of Shares**	**% of Issued Capital**
Our Company	250,000	100.00
Total	**250,000**	**100.00**

Board of Directors

As of June 1, 2010 the board of directors of EILAP comprises Dr. Samad Bin Solbai, Mr. Ashok Kumar Purwaha, Mr. Tan Hor Seng and Mr. Ram Singh.

EILAP incurred loss of RM 30,331 for the financial year ending December 31, 2009. There are no accumulated losses of EILAP which have not been accounted for by our Company.

Previous Public Issues

None of our Subsidiaries have completed any public or rights issue in the three years preceding this Red Herring Prospectus.

Negative Net Worth

None of our Subsidiaries have negative net worth.

Guarantees Given to Third Parties by the Promoter

Our Promoter, offering Equity Shares in the Offer for Sale, has not given any guarantees to third parties.

Other Confirmations

Both of our Subsidiaries are unlisted companies.

Joint Ventures

1. TEIL Projects Limited

Our Company and Tata Project Limited entered into a joint venture agreement dated August 12, 2008 pursuant to which TEIL Projects Limited was set up on July 15, 2008 for the purpose of pursuing certain identified projects on engineering, procurement and construction basis in select sectors such as oil and gas, fertilizers, steel, railways, power and infrastructure broadly in accordance with the terms and conditions agreed to by the parties. The principal office of the joint venture is at C-43, 2nd floor, Sector 62, Noida 201 307, Uttar Pradesh. As on the date of this RHP, our Company and Tata Project Limited have a shareholding of 50% each in TEIL Projects Limited.

2. TecnimontEIL Emirates Consultores e Servico, LDA

Our Company and Technimont SPA entered into a shareholders agreement dated September 12, 2008 in order to co-operate in select sectors to pursue joint projects in the United Arab Emirates (UAE). Pursuant to Memorandum of Understanding dated February 14, 2007, the parties agreed to use TecnimontEIL Emirates Consultores e Servico, LDA with its registered office in Portugal as a joint venture company for submission of bids for EPC projects falling in the geographical perimeter and business exclusivity and if awarded, the execution of such projects, including engineering, procurement, construction management and project management services in the oil and gas sector, utilities and offsite facilities and such other sector as may be mutually agreed by the parties in writing. 70% of the shareholding of TecnimontEIL Emirates Consultores e Servico, LDA is held by Technimont SPA and the remaining 30% is held by our Company.

Associates

Our Company does not have any associates.

Strategic and Financial Partners

Our Company does not have any financial partners. For details of our Company's strategic alliances see the section "Our Business – Joint Ventures and Strategic Alliances – Other Strategic Alliances" on page 122.

Other Material Agreements

There are no shareholders agreements or other material contract entered into, other than in the ordinary course of the business.

OUR MANAGEMENT

Our Articles of Association require us to have not less than five and not more than 25 Directors. We currently have 12 Directors, of which five are whole-time Directors, including the Chairman and Managing Director, one is a Government nominee Director and six are independent Directors.

The following table sets forth details regarding the Board of Directors as of the date of this Red Herring Prospectus.

Name, Designation, Father's Name, Occupation, DIN and Date of Appointment	Executive/Non Executive	Age (Years)	Address	Other Directorships
Mr. Ashok Kumar Purwaha s/o Late Mr. Ram Ballabh Purwaha *Chairman and Managing Director* **Occupation**: Service **DIN**: 00165092 **Date of Appointment**: October 1, 2009	Executive	55	B-5, Ranjit Singh Block Asian Games Village New Delhi 110 049 India	• Certification Engineers International Limited • EIL Asia Pacific Sdn. Bhd., Malaysia • TEIL Projects Limited
Mr. Laxmi Narayan Gupta s/o Late Mr. Ram Swaroop Gupta *Government Nominee Director* **Occupation**: Service **DIN**: 01872190 **Date of Appointment**: June 25, 2008	Non-Executive	50	D-1/44, Rabindra Nagar New Delhi 110 003 India	• Hindustan Petroleum Corporation Limited • Indian Strategic Petroleum Reserves Limited
Mr. Udaykrishna Nityanand Bose s/o Late Mr. Nityanand Vishwamber Bose *Independent Director* **Occupation**: Service **DIN**: 00793123 **Date of Appointment**: January 5, 2006	Non-Executive	57	R-4, Nehru Enclave New Delhi 110 019 India	• Oil and Natural Gas Corporation Limited
Mr. Basavaraj Ningappa Bankapur s/o Mr. Ningappa Malappa Bankapur *Independent Director* **Occupation**: Service	Non-Executive	58	House No. B-838 Asiad Village Complex New Delhi 110 049 India	• Indian Oil Corporation Limited

Name, Designation, Father's Name, Occupation, DIN and Date of Appointment	Executive/Non Executive	Age (Years)	Address	Other Directorships
DIN: 00246410 **Date of Appointment**: December 29, 2006				
Dr. Avinash Chandra s/o Late Dr. BNS Chowdhary *Independent Director* **Occupation**: Oil and Natural Gas Consultant **DIN**: 00800585 **Date of Appointment**: June 20, 2007	Non-Executive	66	B-102 Sector 26 Noida 201 301 Uttar Pradesh India	• Oil Industry Development Board • Petrobiz Consultants (P) Limited • Alpha Geo India Limited • Certification Engineers International Limited
Mr. Arun Kumar Purwar s/o Late Mr. Anant Ram Purwar *Independent Director* **Occupation**: Banker **DIN**: 00026383 **Date of Appointment**: January 9, 2008	Non-Executive	64	Flat No. 2303, C-Tower, Ashok Tower Dr. S.S. Rao Road, Parel Mumbai 400 012 Maharashtra India	• Vardhman Textiles Limited • Reliance Communications Limited • Jindal Steel and Power Limited • Apollo Tyres Limited • India Infoline Limited • Jindal Power Limited • Deccan Infrastructure and Land Holdings Limited • IL&FS Renewable Energy Limited(IREL) • India Infoline Investments Services Limited • ONGC – Tripura Power Company Private Limited • Caparo Engineering India Private Limited • India Ventures Advisors Limited (Chairman) • Energy Inftatech Private Limited • Sri Kavery Medical Care (Trichy) Private Limited
Mr. Manoj Kumar Joshi s/o Mr. Harish Chandra Joshi *Director (Technical)* **Occupation**: Service **DIN**: 00137228 **Date of Appointment**: January 20, 2005	Executive	59	27, Golden Jubilee Apartments Sector 11 Extension Pocket 10, Rohini New Delhi 110 085 India	• Certification Engineers International Limited
Mr. Rakesh Kumar Grover s/o Mr. Jagdish Raj Grover	Executive	59	3111, Sector 'C' Pocket- 3, Vasant Kunj New Delhi 110 070 India	Nil

Name, Designation, Father's Name, Occupation, DIN and Date of Appointment	Executive/Non Executive	Age (Years)	Address	Other Directorships
Director (Projects) **Occupation**: Service **DIN**: 01431428 **Date of Appointment**: April 3, 2007				
Mr. Ram Singh s/o Mr. Santokh Singh *Director (Finance)* **Occupation**: Service **DIN**: 02942267 **Date of Appointment**: January 28, 2010	Executive	53	B-251 Malwa Singh Block Asian Games Village New Delhi 110 049 India	• EIL Asia Pacific Sdn. Bhd., Malaysia
Mr. Pradeep Kumar Rastogi s/o Late. Mr. Durga Prashad Rastogi *Director (Personnel)* **Occupation**: Service **DIN**: 03082273 **Date of Appointment**: April 30, 2010	Executive	57	Durga Deep, A-200 Shivalik, Malviya Nagar New Delhi 110 017 India	Nil
Mr. Adit Jain s s/o. Mr. Prakash Chandra Jain *Independent Director* **Occupation**: Business **DIN**: Applied for **Date of Appointment**: July 9, 2010	Non-Executive	49	F-03, Radha Mohan Drive, Gadalpur Bandh Road Chattarpur, Mehrauli New Delhi 110074 India	• Shriram Transport Finance Company Limited • International Market Assessment India Private Limited • IMA Corporate Advisory Services Private Limited • EIU India Private Limited • PR Pundit Public Relations Private Limited • Mahanagar Telephone Nigam Limited • Indosolar Limited
Dr. (Prof.) Krishna Deo Prasad Nigam s/o. Late Mr. Sukh Deo Prasad Nigam *Independent Director* **Occupation**: Academician **DIN**: Applied for **Date of Appointment**: July 9, 2010	Non-Executive	63	69, New Campus, Indian Institute of Technology Delhi Hauz Khas, New Delhi 110016 India	Nil

All our Directors are Indian nationals. None of our Directors are related to each other.

Brief Profile of the Directors

Mr. Ashok Kumar Purwaha, 55 years, is the Chairman & Managing Director of our Company. He has also been appointed as the Director (Commercial) of our Company. He has been on the Board since October 1, 2009. He has a Bachelor's Degree in Electrical Engineering from the Delhi College of Engineering, Delhi University. Mr. Purwaha has more than 33 years of experience in the hydrocarbon sector. He has served with the Oil and Natural Gas Corporation Limited and Gas Authority of India Limited and has worked on various projects such as cross country pipelines for gas distribution, gas processing and petrochemical plants, operation and maintenance of gas pipeline systems. Further, he functioned as the Managing Director of Mahanagar Gas Limited (a joint venture of GAIL and British Gas), Mumbai for five years and he is currently responsible for the general administration and management of our Company.

Mr. Laxmi Narayan Gupta, 50 years, is a Government director nominated to the board of our Company by the MoPNG. He has been on the Board since June 25, 2008. He has a Master's Degree in Economics and a Masters in Business Administration from Birmingham University. He is presently a serving officer of the Indian Administrative Service, in the position of Joint Secretary to the Government of India. His experience, which is spread over about 25 years includes positions he has held as the Chairman and Managing Director of Orissa Hydro Power Corporation and as the Commissioner cum Secretary, Department of Mines and Steel.

Mr. Udaykrishna Nityanand Bose, 57 years, is an Independent Director of our Company. He has been on the Board since January 18, 2006. He has a Bachelor's Degree in Mechanical Engineering from the University of Nagpur. Mr. Bose has experience in the fields of deviation and horizontal drilling in offshore areas including deep water drilling. He has also developed a high-end training facility for rig supervisors and authored papers on drilling technologies. He has 34 years of experience in the field of drilling and engineering projects and is currently serving on the board of directors of the Oil and Natural Gas Corporation Limited.

Mr. Basavaraj Ningappa Bankapur, 58 years, is an Independent Director of our Company. He has been on the Board since December 26, 2006. He has a Bachelor's Degree in chemical engineering from Mysore University. Mr. Bankapur has over 35 years of experience in oil refineries and other projects. He is also currently the Director (Refineries) on the board of IOCL where he is responsible for the functioning of all the refineries of IOCL and group/ subsidiary companies. He has been instrumental in the planning and growth of the companythrough capacity enhancement and diversification.

Dr. Avinash Chandra, 66 years, is an Independent Director of our Company. He has been on the Board since June 20, 2007. He has a Bachelor's Degree in science from Lucknow University and a Masters Degree in Applied Geology from Lucknow University. Further, he holds a Post Graduate Diploma from the Imperial College of Science and Technology (DIC) in Petroleum Geology and a DIC in Petroleum Reservoir Engineering from the University of London, United Kingdom along with a Ph.D. in Petroleum Geology from the University of London, United Kingdom. He has over 47 years of experience in the oil industry and has held previous positions at ONGC and Oil India Limited. He has been a Government Director in the past on the boards of public sector oil companies such as ONGC Videsh Limited, Oil India Limited and Lubrizol India Limited. He has been a permanent invitee on the Boards of ONGC and GAIL. Mr. Chandra was Advisor (Exploration) in the MoPNG from 1991 to 1999 at a pay scale equivalent to Additional Secretary. He has also served as the Director General of Hydrocarbons (DGH), MoPNG, Government of India from 1993 to 2003 at a pay scale equivalent to Special Secretary, Government of India (1999-2003).

Mr. Arun Kumar Purwar, 64 years, is an Independent Director of our Company. He has been on the Board since January 9, 2008. He has a Master's Degree in Commerce from Allahabad University and a Diploma in Business Administration. He has 39 years of experience in the field of corporate, retail and international banking. Mr. Purwar has previously served at senior positions such as Chairman, State Bank of India as well as Managing Director at the State Bank of Patiala. He is currently on the boards of various companies in the telecom, power, steel, financial services, renewable energy, textiles, auto components and healthcare sectors. Mr. Purwar is the recipient of awards from the Bombay

Management Association, the Institute for Technology & Management and the Indian Banks Association.

Mr. Manoj Kumar Joshi, 59 years, is the Director (Technical) of our Company. He has been on the Board since January 20, 2005. He has a Bachelor's Degree in Chemical Engineering from the Indian Institute of Technology, Kanpur. He has 38 years of experience in the field of technology and process design and conceptualization of projects, specifically for grass root and revamp projects. He has also been closely involved in the development and commercialisation of indigenous technologies. He is currently responsible for functioning of Divisions in the Technical Directorate of our Company.

Mr. Rakesh Kumar Grover, 59 years, is the Director (Projects) of our Company. He has been on the Board since April 3, 2007. He has a Bachelor's Degree in Mechanical Engineering from Delhi College of Engineering. He has nine years of experience in the field of atomic power and 28 years of experience in the field of project management and co-ordination, general administration and management. His experience includes positions he has held with the Bhabha Atomic and Research Centre. He is currently responsible for the general administration and management of the Project Directorate of our Company.

Mr. Ram Singh, 53 years, is the Director (Finance) of our Company. He has been on the Board since January 28, 2010. He has a Bachelor's Degree in Commerce from Delhi University and is an Associate Member of the Institute of Cost & Works Accountants of India. He has 27 years of experience in finance and cost accounting in the hydrocarbon sector. His experience includes positions held with the Petroleum Planning and Analysis Cell of the Ministry of Petroleum and Natural Gas, the Oil Coordination Committee, Bharat Petroleum Corporation Limited and Steel Authority of India Limited. He has been actively associated with various government appointed committees, for conducting studies on pricing of petroleum products. He is currently responsible for the financial management of our Company.

Mr. Pradeep Kumar Rastogi, 57 years, is the Director (Personnel) of our Company. He has been on the Board since April 30, 2010. He has a Bachelor's Degree in Mechanical Engineering from the University of Rajasthan. Mr. Rastogi 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 traning and development, performance appraisal and management development, industrioal 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.

Mr Adit Jain, 49 years, is an Independent Director of our Company. He has a Bachelor's Degree in Mechanical Engineering from the Birla Institute of Technology, India and a Master's Degree in business administration from the Henley Management College, United Kingdom. He is the chairman and editorial director of IMA India, a business information company he established in 1994. Mr. Jain 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 ventures etc. He has also authored many papers and articles on foreign policy, defence, the environment and business practices.

Dr. (Prof.) Mr. Krishna Deo Prasad Nigam, 63 years, is an Independent Director of our Company. He has a Bachelor's Degree in Science from Agra University, a Bachelor's Degree in Chemical Engineering and a Master's Degree in Chemical Engineering Design from HBTI Kanpur, and a Ph.D in Technology from UDCT, Mumbai. He has been a professor at the Indian Institute of Technology Delhi, and is 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.

Borrowing Powers of the Board of Directors

Our Board may, from time to time, at its discretion, subject to the provisions of Sections 292, 293 and 370 of the Companies Act, raise or borrow, and secure the payment of any sum, or sums of money for the purposes of our Company; provided that our Board shall not without the sanction of our Company in general meeting, borrow any sum of money which together with monies already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) will exceed the aggregate for the time being of the paid-up capital of our Company and its free reserves, that is to say, reserves not set aside for any specific purpose.

For details, see Article 53 in the section "Main Provisions of the Articles of Association" on page 259.

Details of Appointment of our Directors

Name of Directors	Appointment Letter/MoPNG Order	Term
Mr. Ashok Kumar Purwaha	Appointment through MoPNG, Letter No. C – 31018/4/2007-CA dated September 30, 2009. Appointment through MoPNG, Letter No. C-31018/5/2010-CA dated June 16, 2010	Appointment as Chairman & Managing Director with effect from October 1, 2009 for a period of five years, or till the date of his superannuation (May 31, 2015) or until further orders, whichever event occurs earlier. Appointment as Director (Commercial) with effect from June 1, 2010, on an ad-hoc basis, for a period of three months, or till a regular incumbent is appointed or until further orders, whichever occurs earlier.
Mr. Laxmi Narayan Gupta	Appointment through MoPNG, Letter No. 31023/1/2007-CA dated June 24, 2008.	Appointment as Government Director with effect from June 25, 2008.
Mr. Manoj Kumar Joshi	Appointment through MoPNG, Letter No. 31016/4/2003-CA dated January 20, 2005.	Appointment as Director (Technical) with effect from January 21, 2005, for a period of five years, or till the date of his superannuation (July 31, 2010) or until further orders, whichever event occurs earlier. His term has been extended vide MoPNG Letter no. C-31018/5/2009-CA (Part) dated April 15, 2010 upto July 31, 2010, the date of his superannuation or until further orders, whichever occurs earlier.
Mr. Rakesh Kumar Grover	Appointment through MoPNG, Letter No.31016/6/2005-CA dated April 3, 2007.	Appointment as Director (Projects) with effect from April 3, 2007, till the date of superannuation (January 31, 2011) or until further orders, whichever event occurs earlier.
Mr. Ram Singh	Appointment through MoPNG, Letter No. C - 31018/2/09-CA dated January 22, 2010.	Appointment as Director (Finance) with effect from January 28, 2010, for a period of five years, or till the date of his superannuation (April 30, 2017) or until further orders, whichever event occurs earlier.
Mr. Pradeep Kumar Rastogi	Appointment through MoPNG s, Letter No. C-31018/2/08-CA dated April 30, 2010.	Appointment as Director (Personnel) with effect from April 30, 2010, for a period of five years, or till the date of superannuation (September 30, 2012) or until further orders, whichever event occurs earlier.
Mr. Udaykrishna Nityanand Bose	Appointment through MoPNG, Letter No. 31016/8/2005-CA dated January, 5, 2006.	Appointment as non-executive part time Director with effect from January 5, 2006, till such time as he holds the post of functional director on the board of the Oil and Natural Gas Corporation Limited or until further orders whichever occurs earlier.
Mr. Basavaraj Ningappa Bankapur	Appointment through MoPNG, Letter No. 31015/5/2005-CA dated December 22, 2006.	Appointment as part time Director with effect from December 29, 2006, till such time as he holds the post of functional director or until further orders whichever occurs earlier.
Dr. Avinash Chandra	Appointment through MoPNG, Letter No.34011/20/2005-CA (Pt) dated June 19, 2007.	Appointment as non-official part time Director with effect from June 20, 2007, for a period of three years from the date of induction or until further orders whichever occurs earlier. Our Company, through a letter dated June 24, 2010 to the MoPNG

Name of Directors	Appointment Letter/MoPNG Order	Term
		has sought for an extension of his term.
Mr. Arun Kumar Purwar	Appointment through MoPNG, Letter No. C-31024/27/2006-CA dated January 4, 2008.	Appointment as non-official part time Director with effect from January 9, 2008, for a period of three years from the date of induction or until further orders whichever occurs earlier.
Mr. Adit Jain	Appointment through MoPNG, Letter no. C-31018/2/2010-CA dated July 9, 2010.	Appointment as non-official part time Director, for a period of three years from the date of induction.
Dr. (Prof.) Krishna Deo Prasad Nigam	Appointment through MoPNG, Letter no. C-31018/2/2010-CA dated July 9, 2010.	Appointment as non-official part time Director, for a period of three years from the date of induction.

Except for our whole-time Directors who are entitled to statutory benefits upon termination of their employment with us along with certain post retirement medical benefits, none of our other Directors are entitled to any benefit upon termination of their employment with us.

Remuneration Details of our Directors

The following table sets forth the details of the gross remuneration for our whole-time Directors for the Fiscal 2010. Our whole-time Directors are also entitled to benefits/facilities such as official vehicle, medial reimbursements, leave travel concession, gratuity, official entertainment and reimbursements for maintenance of a residential office including electricity charges up to a specified amount, a furniture allowance, certain communication devices like a mobile phone and a personal computer among others.

Our Government nominee Director, Mr. Laxmi Narayan Gupta is not entitled to any remuneration or fees from us as he has been nominated on our Board by the MoPNG. Our Independent Directors are paid sitting fees of Rs. 10,000 and any other expenses, for attending each meeting of our Board and its committees, as applicable, pursuant to a resolution of our Board dated July 3, 2007. Mentioned below is the remuneration paid to all Directors for Fiscal 2010.

S. No.	Name	Gross Salary in Rs.	Benefits in Rs.	Sitting Fees, if any, in Rs.	Performance Linked Pay in Rs.	Total in Rs.*
1.	Mr. Ashok Kumar Purwaha	853,080	141,968	-	-	995,048
2.	Mr. Laxmi Narayan Gupta	-	-	-	-	-
3.	Mr. Ram Singh	302,412	47,660	-	-	350,072
4.	Mr. Manoj Kumar Joshi	2,072,924	754,710	-	629,493	3,457,127
5.	Mr. Rakesh Kumar Grover	2,074,395	628,636	-	604,182	3,307,213
6.	Mr.Udaykrishna Nityanand Bose^	-	-	-	-	-
7.	Dr. Avinash Chandra	-	-	140,000	-	140,000
8.	Mr. Arun Kumar Purwar	-	-	140,000	-	140,000
9.	Mr. Basavaraj Ningappa Bankapur^	-	-	-	-	-

* *The total salaries paid during the year Fiscal 2010 include pay revision arrears with effect from January 1, 2007.*

^ *Mr. Udaykrishna Nityanand Bose and Mr. Basavaraj Ningappa Bankapur are functional directors on the boards of ONGC and Indian Oil Corporation Limited, respectively. Hence they are not entitled to any remuneration, including in the nature of salaries or sitting fees.*

Details of terms and conditions of appointment of our whole-time Directors

Our whole-time Directors are appointed by the President of India in accordance with our Articles of Association, Article 83, reproduced below.

"The number of Directors of the Company shall be not less than five and not more than twenty five, all of whom will be appointed by the President of India, who will prescribe the period for which they will hold office as Directors and may remove them and appoint others in their places and fill in any vacancy that may occur."

The letter of appointment issued to each whole-time Director prescribes the terms and conditions of appointment. As per the terms and conditions of appointment, the whole time Directors are entitled to basic pay, dearness allowance, an annual increment, housing rent allowance, conveyance allowance, and performance related payment and other allowances. A detailed break-up of the allowances paid to the whole time Directors for Fiscal 2010 is detailed below:

No.	Heads of Income	Mr. Ashok Kumar Purwaha	Mr. Ram Singh	Mr. Manoj Kumar Joshi	Mr. Rakesh Kumar Grover
A.	**Salary***				
a)	Basic Pay + Dearness Allowance	614,880	219,162	1,507,572	1,436,292
b)	Leave Encashment	0	0	0	94,290
c)	Other allowances	238,200	83,250	565,352	543,813
	Sub Total	*853,080*	*302,412*	*2,072,924*	*2,074,395*
B.	**Performance Linked Reward**	0	0	629,493	604,182
C.	**Other Benefits**				
a)	Provident Fund & Company Pension Contribution	126,048	44,929	502,331	449,362
b)	Medical	15,920	4,392	120,127	34,882
c)	Lease Rent	0	(1,661)	132,252	144,392
d)	Leave Travel Concession	0	0	0	0
	Sub Total	*141,968*	*47,660*	*754,710*	*628,636*
	Total (A+B+C)	**995,048**	**350,072**	**3,457,127**	**3, 307,213**

(i) Salary includes pay revision arrears for the Fiscal 2009-2010 with effect from January 1, 2007.

Note: The details of remuneration paid to Mr. Pradeep Kumar Rastogi as of Fiscal 2010 are not available as he was appointed on April 30, 2010.

Detailed terms and conditions of appointment of Mr. Ram Singh and Mr. Pradeep Kumar Rastogi are yet to be notified by the GoI. The terms and conditions governing the appointment of Mr. Ashok Kumar Purwaha, Mr. Manoj Kumar Joshi and Mr. Rakesh Kumar Grover are set forth below.

(ii) Letter No. C-31018/4/2007-CA dated March 30, 2010 from the MoPNG to our Company regarding terms and conditions of appointment of Mr. Ashok Kumar Purwaha.

Mr. Ashok Kumar Purwaha was appointed as Chairman & Managing Director of our Company by the President of India pursuant to MoPNG letter No. C-31018/4/2007-CA dated September 30, 2009 w.e.f. October 1, 2009. The terms and conditions of his appointment have been set out in the letter No. C-31018/4/2007-CA dated March 30, 2010.

(iii) The terms and conditions governing the appointment of Mr. Ashok Kumar Purwaha as per the abovementioned order are as under:

Term	Appointment for a period of five years w.e.f. October 1, 2009 or till the date of superannuation, or until further orders, whichever event occurs earlier. The appointment may however be terminated during this period by either side on three months' notice or on payment of three months' salary in lieu thereof.
Basic salary	Rs. 81,960 per month in the scales of Rs. 80,000-125,000.
Dearness Allowance	In accordance with the New Industrial Dearness Allowance Scheme as spelt out in Department of Public Enterprise's Office Memorandum ("**DPE's OM**") dated November 26, 2008 and April 2, 2009.
Annual Increment	At 3% of basic pay on the anniversary date of appointment in the scale and further increments on the same date in subsequent years until the maximum of the pay-scale is reached.
Housing and furnishing	Entitled to suitable residential accommodation from our Company including company leased accommodation. Accommodation can also be taken on self lease basis provided that a lease deed in favour of our Company is executed or on the basis of existing lease deeds. Recovery is done to the extent of 10% of the basic pay or the actual amount whichever is lower.
Conveyance	Entitled to staff car for private use subject to a ceiling of 1,000 km per month.
Performance Related Payment	Eligible for approved PRP as per DPE's O.Ms. dated November 26, 2008, February 9, 2009 and April 2, 2009.
Leave	Entitled to leave subject to the Leave Rules of our Company
Other Allowances/Perks	The Board of Directors will decide on the Allowances and Perks subject to a maximum ceiling of 50% of his basic pay as indicated in DPE's O.M. dated November 26, 2008 and April 2, 2009.
Superannuation Benefits	Eligible for superannuation benefit based on approved schemes as per DPE's O.Ms. dated November 26, 2008 and April 2, 2009.
Restriction on joining Private Commercial Undertakings after Retirement	Shall not accept any appointment or post, whether advisory or administrative, in any firm or company, Indian or foreign, with which our Company has or had business relations within one year from the date of his retirement, without the prior approval of the Government.
Conduct Discipline and Appeal	Subject to the Conduct, Discipline and Appeal Rules of our Company, with the Disciplinary Authority being the President of India.

(iv) Letter No. C-31018/6/2009-CA dated May 18, 2009 from the MoPNG to our Company regarding terms and conditions of appointment of Mr. Rakesh Kumar Grover.

Mr. Rakesh Kumar Grover was appointed as Director (Projects) of our Company by the President of India pursuant to MoPNG letter No. C-31016/6/2005-CA dated April 3, 2007 w.e.f. April 3, 2007. The terms and conditions of his appointment have been set out in the letter No. C-31018/6/2009-CA dated May 18, 2010.

(v) The terms and conditions governing the appointment of Mr. Rakesh Kumar Grover as per the abovementioned order are as under:

Term	Appointment for a period of five years w.e.f. April 3, 2007 or till the date of superannuation, or until further orders, whichever event occurs earlier. The appointment may however be terminated during this period by either side on three months' notice or on payment of three months' salary in lieu thereof.
Basic salary	Rs. 75,000 per month in the scales of Rs. 75,000-100,000.
Dearness Allowance	In accordance with the New Industrial Dearness Allowance Scheme as spelt out in Department of Public Enterprise's Office Memorandum ("**DPE's OM**") dated November 26, 2008 and April 2, 2009.
Annual Increment	At 3% of basic pay on the anniversary date of appointment in the scale and further increments on the same date in subsequent years until the maximum of the pay-scale is reached.
Housing and furnishing	Entitled to suitable residential accommodation from our Company including company leased accommodation. Accommodation can also be taken on self lease basis provided that a lease deed in favour of our Company is executed or on the basis of existing lease deeds. Recovery is done to the extent of 10% of the basic pay or the actual amount whichever is lower.
Conveyance	Entitled to staff car for private use subject to a ceiling of 1,000 km per month.
Performance Related Payment	Eligible for approved PRP as per DPE's O.Ms. dated November 26, 2008, February 9, 2009 and April 2, 2009.

Leave	Entitled to leave subject to the Leave Rules of our Company
Other Allowances/Perks	The Board of Directors will decide on the Allowances and Perks subject to a maximum ceiling of 50% of his basic pay as indicated in DPE's O.M. dated November 26, 2008 and April 2, 2009.
Superannuation Benefits	Eligible for superannuation benefit based on approved schemes as per DPE's O.Ms. dated November 26, 2008 and April 2, 2009.
Restriction on joining Private Commercial Undertakings after Retirement	Shall not accept any appointment or post, whether advisory or administrative, in any firm or company, Indian or foreign, with which our Company has or had business relations within one year from the date of his retirement, without the prior approval of the Government.
Conduct Discipline and Appeal	Subject to the Conduct, Discipline and Appeal Rules of our Company, with the Disciplinary Authority being the President of India.

(vi) Letter No. C-31018/6/2009-CA dated May 18, 2010 from the MoPNG to our Company regarding terms and conditions of appointment of Mr. Manoj Kumar Joshi.

Mr. Manoj Kumar Joshi was appointed as Director (Technical) of our Company by the President of India pursuant to MoPNG letter No. 31016/4/2003-CA dated January 20, 2005 w.e.f. January 20, 2005. The terms and conditions of his appointment have been set out in the letter No. C-31018/6/2009-CA dated May 18, 2010.

(vii) The terms and conditions governing the appointment of Mr. Manoj Kumar Joshi as per the abovementioned order are as under:

Term	Appointment for a period of five years w.e.f. January 20, 2005 or till the date of superannuation, or until further orders, whichever event occurs earlier. The appointment may however be terminated during this period by either side on three months' notice or on payment of three months' salary in lieu thereof.
Basic salary	Rs. 75,000 per month in the scales of Rs. 75,000-100,000.
Dearness Allowance	In accordance with the New Industrial Dearness Allowance Scheme as spelt out in Department of Public Enterprise's Office Memorandum ("**DPE's OM**") dated November 26, 2008 and April 2, 2009.
Annual Increment	At 3% of basic pay on the anniversary date of appointment in the scale and further increments on the same date in subsequent years until the maximum of the pay-scale is reached.
Housing and furnishing	Entitled to suitable residential accommodation from our Company including company leased accommodation. Accommodation can also be taken on self lease basis provided that a lease deed in favour of our Company is executed or on the basis of existing lease deeds. Recovery is done to the extent of 10% of the basic pay or the actual amount whichever is lower.
Conveyance	Entitled to staff car for private use subject to a ceiling of 1,000 km per month.
Performance Related Payment	Eligible for approved PRP as per DPE's O.Ms. dated November 26, 2008, February 9, 2009 and April 2, 2009.
Leave	Entitled to leave subject to the Leave Rules of our Company.
Other Allowances/Perks	The Board of Directors will decide on the Allowances and Perks subject to a maximum ceiling of 50% of his basic pay as indicated in DPE's O.M. dated November 26, 2008 and April 2, 2009.
Superannuation Benefits	Eligible for superannuation benefit based on approved schemes as per DPE's O.Ms. dated November 26, 2008 and April 2, 2009.
Restriction on joining Private Commercial Undertakings after Retirement	Shall not accept any appointment or post, whether advisory or administrative, in any firm or company, Indian or foreign, with which our Company has or had business relations within one year from the date of his retirement, without the prior approval of the Government.
Conduct Discipline and Appeal	Subject to the Conduct, Discipline and Appeal Rules of our Company, with the Disciplinary Authority being the President of India.

Shareholding of the Directors

The Articles of Association do not require the Directors to hold any qualification Equity Shares. For details of the shareholding of our Directors see the section "Capital Structure – Notes to Capital Structure – Note no. 4" on page 66.

Interest of Directors

All of our Directors may be deemed to be interested to the extent of remuneration and fees payable to them for services rendered as Directors such as attending meetings of the Board or a committee thereof and to the extent of other reimbursement of expenses, if any.

Our Directors, may also be regarded as interested in the Equity Shares that may be Allotted to the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Offer. Please note that our Directors cannot participate in this Offer.

The Directors have no interest in any property or land acquired by our Company and do not have any direct or indirect interest in completed transactions relating to property of the Company, as a vendor or otherwise, within two years prior to the date of filing of this Red Herring Prospectus.

Except as stated in the section "Financial Statements – Annexure XVI" of our restated consolidated financial statements and restated standalone financial statements on pages F-23 and F-50, respectively and to the extent of their shareholding in our Company, the Directors do not have any other interest in our business, including in relation to construction of building, supply of machinery etc. or in the promotion of our Company.

Changes in the Board of Directors during the Last Three Years

The changes in our Board in the last three years are as follows:

Name	Designation	Executive/Non-Executive	Date of Appointment	Date of Cessation	Reason
Mr. Raj Kumar Saxena	Director (Commercial)	Executive	January 1, 2007	May 31, 2010	Retirement
Mr. Devinder Kumar Gupta	Director (Personnel)	Executive	October 1, 2006	January 31, 2010	Retirement
Mr. Mukesh Rohatgi	Chairman & Managing Director	Executive	October 1, 2005	September 30, 2009	Retirement
Mr. Durga Sankar Chakrabarti	Director (Finance)	Executive	February 21, 2001	March 4, 2009	Resignation
Mr. Prabh Das	Director, Government Nominee	Non-Executive	April 16, 2003	March 5, 2008	Resignation
Mr. Ravi Capoor	Director, Government Nominee	Non-Executive	February 27, 2006	October 5, 2007	Resignation
Mr. Pronob Mukerji	Director (Projects)	Executive	June 4, 2003	March 31, 2007	Retirement
Mr. Pradeep Kumar Rastogi	Director (Personnel)	Executive	April 30, 2010	Continuing	Appointment
Mr. Ram Singh	Director (Finance)	Executive	January 28, 2010	Continuing	Appointment
Mr. Ashok Kumar Purwaha	Chairman & Managing Director	Executive	October 1, 2009	Continuing	Appointment
Mr. Laxmi Narayan Gupta	Government Nominee Director	Non-Executive	June 25, 2008	Continuing	Appointment
Mr. Arun Kumar Purwar	Independent Director	Non-Executive	January 9, 2008	Continuing	Appointment
Dr. Avinash	Independent	Non-Executive	June 20,	Continuing*	Appointment

Name	Designation	Executive/Non-Executive	Date of Appointment	Date of Cessation	Reason
Chandra	Director		2007		
Mr. Rakesh Kumar Grover	Director (Projects)	Executive	April 3, 2007	Continuing	Appointment
Mr. Dependra Pathak	Government Nominee Director	Non-Executive	October 12, 2007	July 2, 2010	Through a letter dated July 2, 2010 from the MoPNG has withdrawn the nomination of Mr. Dependra Pathak from the Board with immediate effect.
Mr. Adit Jain	Independent Director	Non-Executive	July 9, 2010	Continuing	Appointment
Dr. (Prof.) Krishna Deo Prasad Nigam	Independent Director	Non-Executive	July 9, 2010	Continuing	Appointment

** Our Company, vide letter dated June 24, 2010 to the MoPNG, has sought for an extension of his term.*

Corporate Governance

Our Equity Shares are listed on the Stock Exchanges and our Company has adopted corporate governance practices in accordance with Clause 49 of the Listing Agreement, entered into with the Stock Exchanges, in terms of broad basing our Board and constitution of various committees thereof. As per Clause 49 of the Listing Agreement, 50% of the Board is required to comprise of independent directors. Presently, the Company has four independent Directors which comprise less than 50% of the strength of the Board. The appointment of the remaining independent Directors is under consideration by the MoPNG and will be completed prior to filing of the Red Herring Prospectus.

We have constituted an Audit Committee and an Investors' Grievance Committee as per the requirements of Clause 49 of the Listing Agreement. Whilst, the constitution of Remuneration Committee is not mandatory under the Listing Agreement, we have constituted a Remuneration Committee in accordance with the DPE Guidelines, OM No. 2(70)/08 – DPE (WC) – GL – XIV/08), dated November 26, 2008 applicable to all central public sector enterprises.

Committees of the Board of Directors

The Company has constituted the following committees for compliance with corporate governance requirements:

Audit Committee

Our Audit Committee was constituted through Board resolution dated December 8, 1998, and last reconstituted through Board resolution dated July 28, 2009. Currently, our Audit Committee comprises the following members:

S. no.	Name	Designation
1.	Mr. Arun Kumar Purwar (Chairman)	Independent Director
2.	Mr. Udaykrishna Nityanand Bose	Independent Director
3.	Mr. Basavaraj Nigappa Bankapur	Independent Director
4.	Dr. Avinash Chandra	Independent Director

The terms of reference of the Audit Committee are in accordance with the Companies Act, Guidelines on Corporate Governance issued by the Ministry of Corporate Affairs and the Listing Agreement, as amended from time to time and include, *inter alia*, the following:

1. Overseeing 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.

2. Recommending audit fees payable to statutory auditors appointed by the Comptroller and Auditor General of India and approving payments for any other services.
3. Reviewing with the management, the periodical financial statements before submission to the Board, focusing primarily on:
    a. Any changes in accounting policies and practices.
    b. Major accounting entries based on exercise of judgment by management.
    c. Qualifications in draft audit report.
    d. Significant adjustments arising out of audit.
    e. The going concern assumption.
    f. Compliance with accounting standards.
    g. Compliance with stock exchange and legal requirements concerning financial statements; and related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have a potential conflict with the interests of the Company at large.
4. Reviewing with the management, external and internal auditors as well as the adequacy of the internal control system.
5. Reviewing the adequacy of internal audit function, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
6. Discussing with external auditors any significant findings and follow-up thereon.
7. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity of a failure of internal control systems of a material nature and reporting the matter to the Board.
8. Discussion with internal auditors before the audit commences on the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
9. Reviewing the Company's financial and risk management policies.
10. To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

Investors' Grievance Committee

Our Investors' Grievance Committee was constituted through Board resolution dated April 29, 2002 and last reconstituted through Board resolution dated July 9, 2010. The Investors' Grievance Committee is responsible for the redressal of investor grievances. Currently, the Investors' Grievance Committee comprises the following members:

S. no.	Name	Designation
1.	Mr. Basavaraj Ningappa Bankapur (Chairman)	Non Executive Government Nominee Director
2.	Mr. Ram Singh	Executive Director
3.	Mr. Pradeep Kumar Rastogi	Executive Director

The scope and function of the Investors' Grievance Committee is to consider and review shareholders'/investors' grievances and complaints and to ensure that all shareholders'/investors' grievances and correspondence are attended to expeditiously and satisfactorily.

Remuneration Committee

While the constitution of a Remuneration Committee is a recommendatory clause under the Listing Agreement, we have constituted the same in accordance with the DPE Guidelines applicable to all central public sector enterprises.

As per our Articles of Association, the remuneration payable to our Directors is fixed by the President of India. However, our Company has constituted a remuneration committee through Board resolution dated December 19, 2008 for determining the annual bonus/variable pay and policy for distribution across the executives and non-unionized supervisors.

The Remuneration Committee currently comprises of the following members:

S. no.	Name	Designation
1.	Mr. Arun Kumar Purwar (Chairman)	Independent Director

2.	Dr. Avinash Chandra	Independent Director
3.	Mr. Pradeep Kumar Rastogi	Executive Director

The terms of reference and scope of the Remuneration Committee are as follows:

1. The activities of the Remuneration Committee are in relation to our Company and wholly owned subsidiaries.
2. The Remuneration Committee has the authority to consult any independent professional advisor it considers appropriate to provide independent advice on the appropriateness of remuneration packages, given trends in comparative companies both locally and internationally.
3. The scope of the Remuneration Committee will include finalizing the salary structure, applicable perks and allowances and deciding the annual bonus pool/variable pay and policy for its distribution across the executives and non-unionised supervisors within prescribed limits, Remuneration Committee may also be called up ton to decide issues like ESOP schemes, performance incentive schemes, superannuation benefits and any other fringe benefits which may be considered appropriate.

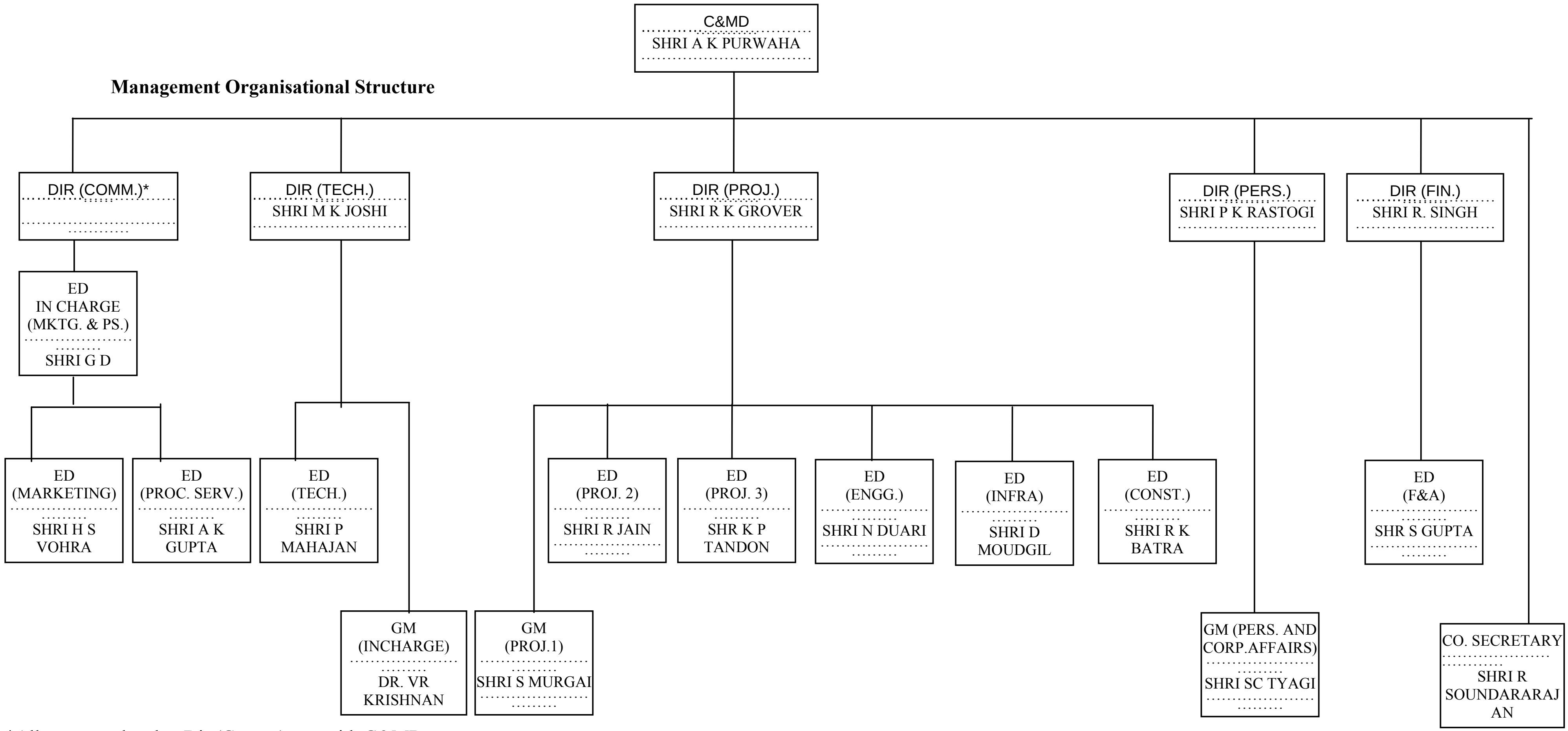
Other Important Committees

Committee for Further Public Offering of Equity Shares

Our Committee for Further Public Offering of Equity Shares was constituted through Board resolution dated May 27, 2010. Currently, our Committee for Further Public Offering of Equity Shares comprises the following members:

S. no.	Name	Designation
1.	Mr. Ashok Kumar Purwaha (Chairman)	Executive Director
2.	Mr. Rakesh Kumar Grover	Executive Director
3.	Mr. Ram Singh	Executive Director

Management Organisational Structure



*All powers related to Dir (Comm.) rest with C&MD

ED: Executive Director

CGM: Chief General Manager

GM: General Manager

Key Management Personnel

In addition to our Directors, the following are the Key Management Personnel of our Company.

Mr. Rajan Jain, 59 years, is the Executive Director (Projects) of our Company. He joined our Company on December 2, 1974. He has a Bachelor's Degree in Mechanical Engineering from Ranchi University. Mr. Jain over 35 years of experience in the field of procurement, project management and general administration. He has previously served in Shriram Chemical Industries in the area of procurement. The gross compensation paid to him during Fiscal 2010 was Rs. 2,822,761.

Mr. Niladri Duari, 59 years, is the Executive Director (Projects) of our Company. He joined our Company on September 17, 1973. He has a Bachelor's Degree in Electrical Engineering from Jadavpur University. He has 37 years of experience in the field of engineering, project management and engineering co-ordination. He has previously worked at the Port Commissioners in Calcutta. The gross compensation paid to him during Fiscal 2010 was Rs. 3,015,920.

Mr. Gordhan Das Goyal, 57 years is the Executive Director (In charge Marketing and Procurement Services) of our Company. He joined our Company on May 25, 1976. He has a Bachelor's Degree in Science from the University of Meerut, a degree in Chemical Engineering from the University of Roorkee and a Post Graduate Degree in Chemical Engineering from the Indian Institute of Technology, Kanpur. He has 34 years of experience in the fields of process design and development, general administration and technology. The gross compensation paid to him during Fiscal 2010 was Rs. 2,872,922.

Mr. Deepak Moudgil, 55 years, is the Executive Director (Infrastructure & Pipelines Projects) of our Company. He joined our Company on September 1, 1975. Mr. Moudgil has a Bachelor's Degree in Civil Engineering from Punjab University and has previously served with The Punjab PWB (B&R) Patiala. He has 35 years of experience in the fields of construction and project management. The gross compensation paid to him during Fiscal 2010 was Rs. 3,018,923.

Mr. Sudershan Gupta, 53 years, is the Executive Director (Finance & Accounts) of our Company. Mr. Gupta joined our Company on March 1, 2006 and has a Bachelor's Degree in Arts from Delhi University and an Associate Chartered Accountant qualification from the Institute of Chartered Accounts of India. He has 30 years of experience in the fields of consultancy in finance and accounts and general administration and management in the field of petrochemicals. The gross compensation paid to him during Fiscal 2010 was Rs. 3,267,623.

Mr. Kamleshwar Prasad Tandon, 59 years, is the Executive Director (Projects) of our Company. He joined our Company on April 7, 1975. He has a Bachelor's Degree in Mechanical Engineering from Rajasthan University and a Diploma in German Language from the University of Rajasthan. Mr. Tandon has 35 years of experience in the field of project management. He has previously served in J.K. Synthetics Limited in the areas of Engineering and Project Management. The gross compensation paid to him during Fiscal 2010 was Rs. 2,861,792.

Mr. Peush Mahajan, 57 years, is the Executive Director (Technical & Projects) of our Company. He joined our Company on March 22, 1982. He has a Bachelor's Degree in Electronics Engineering from Punjab University. He has 28 years of experience in the field of project management and engineering. Mr. Mahajan has previously served in the Heavy Water Project Talcher in the area of construction engineering. The gross compensation paid to him during Fiscal 2010 was Rs. 3,228,103.

Mr. Ravinder Kumar Batra, 58 years is the Executive Director (Construction) of our Company. He joined our Company on January 1, 1976. He has a Bachelor's Degree in Science from Agra University and a degree in Mechanical Engineering from the University of Roorkee. He has 34 years of experience in the fields of general management and construction management of the projects of the Company. The gross compensation paid to him during Fiscal 2010 was Rs. 2,939,653.

Mr. Hardip Singh Vohra, 57 years, is the Executive Director (Marketing) of our Company. He joined our Company on September 3, 1973. He has a Bachelor's Degree in Mechanical Engineering from the Indian Institute of Technology, Delhi and a Diploma in General Management from Management

Development Institute, Gurgaon. He has 36 years of experience in the field of management services and general administration. The gross compensation paid to him during Fiscal 2010 was Rs. 3,167,960.

Mr. Arun Kumar Gupta, 58 years, is the Executive Director (Procurement Services) of our Company. He joined our Company on June 20, 1980. He has a Bachelor's Degree in Mechanical Engineering from the Indian Institute of Technology, Delhi. Mr. Gupta has 29 years of experience in the field of procurement and general administration. He has previously served in Indian Aluminium Cables Limited and in Indian Telephone Industries Limited. The gross compensation paid to him during Fiscal 2010 was Rs. 3,061,193.

Mr. Satish Murgai, 56 years is the General Manager (Projects) of our Company. He joined our Company on September 8, 1975. He has a Bachelor's Degree in Civil Engineering from the Indian Institute of Technology, Delhi. Prior to joining our Company, Mr. Murgai served with Kukreja & Associates, Delhi. He has 35 years of experience in the fields of construction and project management. The gross compensation paid to him during Fiscal 2010 was Rs. 3,053,839.

Mr. Subhash Chandra Tyagi, 56 years, is the General Manager (Personnel & Corporate Affairs) of our Company. He joined our Company on November 9, 1983. He has a Bachelor's Degree in Electrical Engineering from the University of Roorkee (now known as Indian Institute of Roorkee). He has eight years of experience in the field of technological consulting and heavy chemicals and 26 years of experience in the field of general management of construction. Prior to joining our Company, Mr. Tyagi served with companies like Kirloskar Consultants Limited and BST Engineering Services. The gross compensation paid to him during Fiscal 2010 was Rs. 2,855,128.

Dr. Vedanta Ramanujan Krishnan, 59 years is the Chief Consultant of our Company. He joined our Company on September 15, 1976. He has a Bachelor's Degree in Mechanical Engineering and a Post Graduate Degree in Welding Technology from the Indian Institute of Technology, Madras. He also has a doctorate in engineering from the Indian Institute of Technology, Delhi. He has many years of experience in the field of specialist materials and maintenance services. The gross compensation paid to him during Fiscal 2010 was Rs. 2,532,639.

Dr. R. Soundararajan, 59 years is the Company Secretary of our Company. He joined our Company on December 17, 1981. Prior to working with our Company, Dr. Soundararajan has served with Lucas TVS Limited, Scooters India Limited, DCM Data Products and IDL Chemicals Limited. He has 37 years of experience in the fields of information technology services and company management with regard to general engineering and heavy chemicals. He has a Bachelor's Degree in Electronics Engineering from the University of Madras, a Post Graduate Degree in Business Management from Indira Gandhi National Open University, an M.Phil from Alagappa University and a Doctorate in Arts from Jamia Milia University. He also holds an Associate Member of the Institute of Cost & Works Accountants of India from the Institute of Cost & Works Accountants of India and an Associate Company Secretary qualification from the Institute of Company Secretaries of India. The gross compensation paid to him during Fiscal 2010 was Rs. 2,681,469.

Note: *The above mentioned gross salaries include pay revision arrears for the Fiscal 2010 with effect from January 1, 2007.*

All the Key Management Personnel are permanent employees of our Company and are not related to each other or any Director.

Service Contracts

No service contracts have been entered into with any Key Management Personnel or Director for provision of benefits or payments of any amount upon termination of employment.

Shareholding of the Key Management Personnel

Except as disclosed in the "Capital Structure – Notes to Capital Structure – Note no. 4" none of the Key Management Personnel hold any Equity Shares.

Bonus or Profit Sharing Plan for the Key Management Personnel and Directors

There is no bonus or profit sharing plan for the Key Management Personnel and the Directors except the performance related pay scheme, as laid down in the DPE Guidelines OM No. 2(70)/08-DPE (WC) – GLXVI/08 dated November 26, 2008, Annexure 3. The above mentioned guidelines seek to link the performance related pay to the profits of the Company. This remuneration is expressed as a percentage of the basic pay, based both on the physical and financial performance of our Company and will come out of the profits of our Company.

Interest of Key Management Personnel

The Key Management Personnel do not have any interest in our Company other than the extent of any remuneration or benefits to which the Key Management Personnel are entitled as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them.

Changes in the Key Management Personnel

The following are the changes in the Key Management Personnel in the last three years preceding the date of filing this Red Herring Prospectus otherwise than by way of retirement in the normal course.

Name	Designation	Date of Appointment	Current Level Effective from/ Cessation	Reason for Change
Mr. Rajan Jain	Executive Director (Projects)	December 2, 1974	July 1, 2007	Promotion
Mr. Niladri Duari	Executive Director (Projects)	September 17, 1973	January 1, 2008	Promotion
Mr. Gordhan Das Goyal	Executive Director(In charge Marketing and Procurement Services)	May 25, 1976	January 1, 2008	Promotion
Mr. Deepak Moudgil	Executive Director (Infrastructure & Pipelines Projects)	September 1, 1975	July 1, 2008	Promotion
Mr. Sudershan Gupta	Executive Director (Finance & Accounts)	March 1, 2006	July 1, 2008	Promotion
Mr. Kamleshwar Prasad Tandon	Executive Director (Projects)	April 7, 1975	August 1, 2008	Promotion
Mr. Peush Mahajan	Executive Director (Technical & Projects)	March 22, 1982	March 1, 2009	Promotion
Mr. Ravinder Kumar Batra	Executive Director (Construction)	January 1, 1976	August 1, 2009	Promotion
Mr. Hardip Singh Vohra	Executive Director (Marketing)	September 3, 1973	November 1, 2009	Promotion
Mr. Arun Kumar Gupta	Executive Director (Procurement Services)	June 20, 1980	November 1, 2009	Promotion
Mr. Satish Murgai	General Manager (Projects)	September 8, 1975	July 1, 2008	Promotion
Mr. Subhash Chandra Tyagi	General Manager (Personnel & Corporate Affairs)	November 9, 1983	July 1, 2009	Promotion
Dr. Vedanta Ramanujan Krishnan	Chief Consultant	September 15, 1976	July 1, 2010	Promotion
Mr. Rakesh Kumar Sehgal	Executive Director (Projects)	March 26, 1979	June 30, 2010	Superannuation
Mr. Niranjan Rajkhowa	Chief General Manager (Projects and Operational Safety)	June 15, 1983	June 30, 2010	Superannuation

Employee Stock Option Scheme

There are presently no employee stock option schemes.

Loans taken by Directors / Key Management Personnel

Our Directors have not taken any loans from our Company. Except as stated below, there are no loans taken by our Key Management Personnel from our Company.

Name	Designation	Loan	Maximum Loan		Closing Balance as on March 31, 2010		Interest Current Year
			Principal	Interest	Principal	Interest	
Mr. Hardip Singh Vohra	Executive Director (Marketing)	Vehicle	150,000	29,437	Nil	Nil	3,437
Mr. Kamleshwar Prasad Tondon	Executive Director (Projects)	Vehicle	162,500	29,029	Nil	11,529	4,010
		Marriage	12,497	3,854	Nil	Nil	260
Mr. Deepak Moudil	Executive Director (Infrastructure & Pipelines Projects)	Vehicle	295,704	49,713	Nil	Nil	12,080
Mr. Satish Murgai	General Manager (Projects)	Vehicle	373,408	29,921	258,520	29,921	16,038
		Marriage	33,000	4,350	21,000	4,350	1,375
Mr. Ravinder Kumar Batra	Executive Director (Construction)	Nil	0	0	Nil	Nil	0
Mr. Gordhan Das Goyal	Executive Director (In charge Marketing and Procurement Services)	House Building Allowance	Nil	83,631	Nil	54,111	Nil
		Personal Computer	Nil	7,745	Nil	1745	Nil
Mr. Rakesh Kumar Sehgal	Executive Director (Projects)	Vehicle	363,750	56,328	318,750	56,328	17,156
		Furniture	3,600	2,125	Nil	925	75
Mr. Arun Kumar Gupta	Executive Director (Procurement Services	House Building Allowance	Nil	3,188	Nil	Nil	Nil
		Vehicle	294,250	44,031	198,250	44,031	12,512
Dr. R. Soundararajan	Company Secretary	Personal Computer	Nil	680	Nil	Nil	Nil
Mr. Peush Mahajan	Executive Director (Technical & Projects)	Vehicle	411,429	23,003	257,145	23,003	17,036
Mr. Niranjan Rajkhowa	Chief General Manager (Plant Operation and Safety)	House Building Allowance	Nil	150,674	Nil	40,634	Nil
		Personal Computer	Nil	3,524	Nil	Nil	Nil
		Vehicle	329,927	92,393	254,927	92,393	15,028
		Furniture	Nil	2,240	Nil	Nil	Nil
Mr. Subhash Chandra Tyagi	General Manager (Personnel & Corporate Affairs)	House Building Allowance	138,995	423,302	40,775	423,302	7,988
		Personal Computer	Nil	10,392	Nil	4392	Nil
		Vehicle	110,019	62,977	371,250	12,141	13,891
Mr. Sudershan Gupta	Executive Director (Finance & Accounts)	Vehicle	335,000	53,250	275000	53250	15,375
		Furniture	25,500	2,312	19,500	2,312	1,137

Arrangements and/or Understanding with Major Shareholders

As per Article 83 of the Articles of Association, all our Directors are appointed by the President of India. Pursuant to the DPE Guidelines, the number of Government nominee Directors on the board of any Government company should not exceed one-sixth of the actual strength of the board subject to the condition that in no case the number should exceed two. In this regard, Mr. Laxmi Narayan Gupta has been appointed as the Government nominee Director on our Board.

Turnover of our Key Management Personnel

The changes in our Key Mangement Personnel in the last three years have been on account of promotions and not on account of appointments or resignations. Accordingly, the turnover of our Key Management Personnel for the last three years has been nil.

Payment of Benefit to Officers of our Company (non-salary related)

Except for the loans and advances as mentioned above on page 156, the statutory payments, post-retirement medical benefits and defined contribution superannuation benefits which our Company offers to its employees, in the last two years, our Company has not paid any sum to its employees in connection with superannuation payments and ex-gratia/rewards and has not paid any non-salary amount or benefit to any of its officers. None of the beneficiaries of loans and advances and sundry debtors are related to our Directors.

OUR PROMOTER

Our Promoter is the President of India acting through the MoPNG. Our Promoter currently holds 90.40% of the pre-Offer paid-up equity share capital of our Company. As our Promoter is the President of India acting through the MoPNG, disclosure of our 'group companies' cannot be provided.

DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares will be recommended by our Board and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements, contractual obligations, restrictive covenants under our loan and financing arrangements and the overall financial condition of our Company. The dividend and dividend tax paid by our Company during the last three Fiscals is presented below.

	Fiscal 2010	**Fiscal 2009**	**Fiscal 2008**
Face value of Equity Shares (in Rs. per Equity Share)	10.00	10.00	10.00
Dividend (in Rs. Million)	5,952.54	1,038.89	617.71
Dividend per Equity Share (Rs.)	106.00	18.50	11.00
Dividend Rate (%)	1,060.00	185.00	110.00
Dividend Tax (in Rs. Million)	1,009.51	173.58	102.86

The amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts payable, if any, in the future.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

ENGINEERS INDIA LIMITED - CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED AND CONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED, FOR THE YEARS ENDED MARCH 31, 2010, 2009, 2008, 2007 AND 2006.

Auditors' report as required by Part II of Schedule II of the Companies Act, 1956

The Board of Directors
Engineers India Limited
Engineers India Bhawan
1, Bhikaji Cama Place
New Delhi 110 066
India

Dear Sirs,

We have examined the restated consolidated financial information of Engineers India Limited ("the Company") its subsidiaries and joint venture companies (collectively, together with the Company, the "Group") described below in A and B and annexed to this report, stamped and initialed by us for identification, which has been prepared in accordance with the requirements of Part II of Schedule II to the Companies Act, 1956 ("the Act"), the Securities and Exchange Board *of* India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI-ICDR Regulations")and terms of engagement agreed upon with you in connection with the Proposed Offer for Sale of Equity Shares of "the Company" by the President of India ("the Offer").

The consolidated financial information relating to the "Group" are proposed to be included in the Offer Document of the "Company" in connection with the proposed "offer" and have been approved by the Board of Directors.

These restated consolidated financial information have been extracted from audited consolidated financial statements of the Company as at and for the years ended 31st March, 2010, March 31, 2009, March 31, 2008, March 31, 2007 and March 31, 2006 which have been approved/adopted by the Board of Directors for the respective years. Audits of the consolidated financial statements as at and for the years ended March 31, 2007 and March 31, 2006 were conducted by M/s V.K. Dhingra & Co., Chartered Accountants (firm Registration No. 000250N) and signed by their partners Shri Sanjay Jindal (Membership No. 087085) and Shri V.K. Dhingra (Membership No. 014467) respectively, being the auditors of the Company for the aforesaid years, and accordingly reliance has been placed on the consolidated financial statements audited and reported upon by them for the aforesaid years. We did not audit the financial statements of subsidiaries and joint ventures. These financial statements have been audited by other auditors, whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries and joint ventures, is based solely on the report of other auditors. Financial Statements of subsidiary, EIL Asia Pacific Sdn. Bhd. & Joint Venture, Technimont EIL Emirates Consultores E Servicos, LDA drawn upto 31st December have been used for Audited Consolidated Financial Statements. As per information and explanations given to us no significant transactions or other events occurred between 31st December and 31st March, which require adjustment. For as on and year ended 31st March, 2009 share of "Company" in Joint Venture, Technimont EIL Emirates Consultores E Servicos, LDA has been consolidated on the basis of unaudited financial statements of the Joint Venture for the period ended 31st December, 2008.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard AS-21, "Consolidated Financial Statements" and Accounting Standard AS-27, "Financial Reporting of Interest in Joint Ventures".

A. Financial Information as restated on the basis of Audited Consolidated Financial Statements:

We have examined:

a) the attached restated Consolidated Statement of Assets and Liabilities as at March 31, 2010, March 31, 2009, March 31, 2008, March 31, 2007 and March 31, 2006 (Annexure-I);
b) the attached restated Consolidated Statement of Profits and Losses for the years ended March 31, 2010, March 31, 2009, March 31 2008, March 31, 2007 and March 31, 2006 (Annexure-ll);
c) the attached restated Consolidated Statement of Cash Flows for the years ended March 31, 2010, March 31, 2009, March 31, 2008, March 31, 2007 and March 31, 2006 (Annexure-III);

together referred to as the "Restated Consolidated Summary Statements".

The "Restated Consolidated Summary Statements" for the above periods were examined to the extent practicable, for the purpose of audit of consolidated financial information in accordance with the Auditing and Assurance Standards issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform our audit to obtain reasonable assurance, whether the consolidated financial information under examination is free of material misstatement.

Based on the above, we report that in our opinion and according to the information and explanations given to us, we have found the same to be correct and the same have been accordingly used in the "Restated Consolidated Summary Statements" appropriately.

We further report that

1. The Restated Consolidated Summary Statements have been made after making such adjustments and regroupings as in our opinion are appropriate and are subject to the notes to accounts attached to and forming part of the Restated Consolidated Summary Statements as Annexure-IV of this report.

2. The impact of changes in accounting policies adopted by the "Group" as at the year ended March 31, 2010 have been adjusted with retrospective effect in the attached Restated Consolidated Summary Statements,

3. The Consolidated Restated Summary Statements of the "Group" have been prepared after incorporating adjustments for the material amounts in the respective financial years to which they relate.

4. There are no qualifications in the auditor's reports which remain to be adjusted in the restated consolidated summary statements, which is to be read with Significant Accounting Policies and Significant Notes to Accounts.

5. There, are no extra-ordinary items in any of the consolidated financial statements that need to be disclosed separately in the Restated Consolidated Summary Statements.

B. Other Consolidated Financial Information: -

We have also examined the following other consolidated financial information relating to the "Group", prepared by the Management and approved by the Board of Directors for the purpose of inclusion herein:

a) Statement of Consolidated Accounting Ratios (Annexure-V)
b) Statement of Consolidated Capitalization (Annexure-VI)
c) Statement of Consolidated Tax Shelters (Annexure-VII)
d) Statement of Consolidated Dividend Declared (Annexure-VIII)
e) Statement of Consolidated Changes in Share Capital (Annexure- IX)
f) Statement of Consolidated Other Income (Annexure-X)
g) Statement of Consolidated Secured Loans and Unsecured Loans (Annexure-XI)
h) Statement of Consolidated Investments (Annexure XII)
i) Statement of Consolidated Sundry Debtors (Annexure-XIII)

j) Statement of Consolidated Loans and Advances Given (Annexure-XIV)
k) Statement of Consolidated Current Liabilities & Provisions (Annexure XV)
l) Statement of Consolidated Related Party Transactions (Annexure-XVI)
m) Statement of Consolidated Reserves & Surplus (Annexure XVII)
n) Statement of Consolidated Contingent Liabilities (Annexure XVIII)
o) Statement of Consolidated segment wise Revenue, Results & Capital Employed (Annexure-XIX)
p) Statement of Consolidated Salary & Benefits (Annexure XX)
q) Statement of Consolidated Facilities (Annexure XXI)
r) Statement of Consolidated Corporate Cost (Annexure XXII)
s) Statement of Consolidated Other Cost (Annexure XXIII)
t) Statement of Consolidated Depreciation & Fixed Asset Written Off (Annexure XXIV)

In our opinion, the consolidated financial information and other consolidated financial information of the "Group" as attached to this report, as mentioned in paragraphs (A) and (B) above, read with significant accounting policies and notes to accounts (Annexure - IV), and after making such adjustments as were considered appropriate, have been prepared in accordance with Part II of Schedule II of the Act and "the SEBI-ICDR Regulations", as amended from time to time. Our work has been carried out in accordance with the auditing standards generally accepted in India and as per the Guidance Note on Reports in Company Prospectuses (Revised) issued by Institute of Chartered Accountants of India.

This report should not in any way be construed as a reissuance or redating of the previous audit report by the other firms of Chartered Accountants nor should this be construed as a new opinion on any of the consolidated financial statements referred to herein.

We did not perform audit tests for the purposes of expressing an opinion on individual balances of summaries of selected transactions, and accordingly, we express no such opinion thereon.
We have no responsibility to update our report for events and circumstances occurring after the date of the report.

This report is intended solely for your information and for inclusion in the offer documents in connection with the proposed "offer" of equity shares of 'the Company' and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Jagdish Chand & Co.
Chartered Accountants

(Praveen Kumar Jain)
Partner
M. No. 085629
Firm Registration No. 000129N

Place: New Delhi
Dated: 9th July, 2010

ANNEXURE I – RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(In Rs. Million)

PARTICULARS	AS AT 31 MARCH				
	2010	2009	2008	2007	2006
1. GOODWILL ON CONSOLIDATION	**0.59**	**0.59**	**-**	**-**	**-**
2. FIXED ASSETS :					
i) Gross block	1,864.33	1,710.68	1,617.60	1,451.35	1,380.10
Less : Accumulated depreciation	1,230.77	1,128.28	1,116.55	1,066.82	991.42
Net block	**633.56**	**582.40**	**501.05**	**384.53**	**388.68**
ii) Capital work-in-progress	118.46	85.30	48.31	66.62	42.44
Net Block (Including Capital work in progress)	**752.02**	**667.70**	**549.36**	**451.15**	**431.12**
3. INVESTMENTS	**974.89**	**1,514.89**	**1,465.78**	**1,371.29**	**1,380.50**
4. DEFERRED TAX ASSETS (NET)	**1,419.16**	**1,187.65**	**970.85**	**855.86**	**566.11**
5. CURRENT ASSETS, LOANS AND ADVANCES :					
a) Inventories	9.72	8.47	8.39	8.52	8.29
b) Work-in-progress	422.25	325.41	311.27	152.09	142.41
c) Sundry debtors	3,258.75	3,082.05	1,863.38	2,053.93	2,479.11
d) Cash and bank balances	17,944.82	19,214.65	12,702.88	9,600.45	7,668.66
e) Other current assets	2,137.26	2,057.33	1,815.30	1,584.05	1,955.12
f) Loans and advances	1,853.64	2,156.48	1,784.38	1,146.32	1,346.22
Total	**25,626.44**	**26,844.39**	**18,485.60**	**14,545.36**	**13,599.81**
6. CURRENT LIABILITIES AND PROVISIONS :					
a) Current Liabilities	14,036.51	12,961.72	8,009.48	5,232.75	3,747.01
b) Provisions	3,194.42	3,189.55	1,677.88	1,457.45	2,529.27
Total	**17,230.93**	**16,151.27**	**9,687.36**	**6,690.20**	**6,276.28**
NET ASSETS (1+2+3+4+5-6)	**11,542.17**	**14,063.95**	**11,784.23**	**10,533.46**	**9,701.26**
7. EQUITY SHARE CAPITAL	**561.56**	**561.56**	**561.56**	**561.56**	**561.56**
8. RESERVES AND SURPLUS	**10,980.61**	**13,504.26**	**11,226.67**	**9,978.79**	**9,209.88**
9. MISC. EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF)	**-**	**1.87**	**4.00**	**6.89**	**70.18**
NET WORTH (7+8-9)	**11,542.17**	**14,063.95**	**11,784.23**	**10,533.46**	**9,701.26**

Notes:

There are no Revaluation Reserves/ Revaluations carried out and as such no adjustment is required.
The previous year's figures have been regrouped/ rearranged/ recasted wherever necessary.
The accompanying accounting policies and notes are an integral part of these statements.
The Reserves & Surplus include Rs. 20 Million Received as Capital Grant from Oil and Industry Development Board for R&D Centre.

ANNEXURE II – RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(In Rs. Million)

PARTICULARS	FOR YEAR ENDED 31, MARCH				
	2010	2009	2008	2007	2006
INCOME					
- Consultancy & engineering	10,755.21	8,441.51	6,372.02	4,992.76	4,393.46
- Lumpsum Turnkey Projects	9,384.66	7,079.09	1,163.12	823.28	3,648.68
Other Income	1,829.70	2,215.47	1,341.20	1,060.43	719.33
TOTAL	**21,969.57**	**17,736.07**	**8,876.34**	**6,876.47**	**8,761.47**
EXPENDITURE					
Technical Assistance/Sub-Contracts	3,021.20	1,911.76	562.07	410.74	2,302.26
Construction Materials & Equipments	5,558.26	4,954.74	368.22	326.24	856.72
Salaries and Benefits	4,911.66	3,902.89	3,351.23	2,518.31	2,075.85
Facilities	301.68	276.24	228.40	303.77	297.80
Corporate Costs	207.99	207.84	90.49	101.68	146.00
Others	1,127.99	1,053.98	1,138.58	1,051.43	680.39
Depreciation & Fixed Assets Written Off	131.71	109.46	105.55	83.26	95.39
TOTAL	**15,260.49**	**12,416.91**	**5,844.54**	**4,795.43**	**6,454.41**
Profit For The Year	**6,709.08**	**5,319.16**	**3,031.80**	**2,081.04**	**2,307.06**
Less: Provision for Taxation					
Current Year					
Current Tax	2,497.15	2,010.58	1,114.97	951.81	851.65
Fringe Benefit Tax	-	30.20	28.91	28.96	27.03
Deferred Tax	(231.51)	(216.79)	(104.72)	(289.76)	(114.47)
Total Provision For Taxation	**2,265.64**	**1,823.99**	**1,039.16**	**691.01**	**764.21**
Profit After Tax	**4,443.44**	**3,495.17**	**1,992.64**	**1,390.03**	**1,542.85**
Transferred from General Reserve	5,615.61	-	-	-	-
Total Available for Appropriation	**10,059.05**	**3,495.17**	**1,992.64**	**1,390.03**	**1,542.85**
APPROPRIATIONS					
Dividend					
- Interim	5,952.54	252.70	224.62	196.55	168.47
- Proposed	-	786.19	393.09	336.94	280.78
Total Dividend	**5,952.54**	**1,038.89**	**617.71**	**533.49**	**449.25**
Corporate Tax on Dividend					
- Interim	1,011.64	45.07	40.30	30.37	25.04
- Proposed	2.91	133.62	66.80	57.26	40.79
Total Tax on Dividend	**1,014.55**	**178.69**	**107.10**	**87.63**	**65.83**
Balance transferred to General Reserve	**3,091.96**	**2,277.59**	**1,267.83**	**768.91**	**1,027.77**

Notes:

The accompanying accounting policies and notes are an integral part of these statements.
The previous year's figures have been regrouped/ rearranged/ recasted wherever necessary.
There are no Extraordinary items.
In terms of approval from Government of India, Ministry of Corporate Affairs an amount of Rs. 5615.61 Million was transferred during the year 2009-10 from General Reserve to make payment of Special Interim Dividend @1000%.

ANNEXURE III – RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

(In Rs. Million)

PARTICULARS	FOR YEAR ENDED 31, MARCH				
	2010	2009	2008	2007	2006
A. CASH FLOW FROM OPERATING ACTIVITIES					
Net profit Before Tax	6,709.08	5,319.16	3,031.80	2,081.04	2,307.06
Adjustment For :					
Depreciation	130.99	109.14	104.45	83.23	95.39
Fixed Assets Written Off	0.72	0.32	1.10	0.03	-
Deferred Revenue Expenditure (VRS)	1.87	2.13	2.89	63.29	100.43
Incorporation cost Written off	-	0.01	-	-	-
(Profit)/Loss On Sale of Fixed Assets	0.16	1.36	0.13	(2.44)	(10.41)
Other Income					
Interest on Deposits/Advances To Employees/UTI Bonds ETC.	(1,531.17)	(1,474.45)	(1,136.06)	(719.23)	(603.41)
Share of Profit On Trade Investment	(0.20)	(14.33)	(7.22)	(9.54)	(10.30)
Capital Gain on Sale of Current Investment	(169.82)	-	-	-	-
Dividend Income	(27.83)	(19.19)	(2.49)	-	(30.17)
Operating Profit before Working Capital Changes	**5,113.80**	**3,924.15**	**1,994.60**	**1,496.38**	**1,848.59**
Adjustment For :					
Sundry Debtors	(176.70)	(1,218.67)	190.55	425.18	983.45
Inventories	(1.25)	(0.08)	0.13	(0.23)	0.10
Loans & Advances /Other Current Assets	91.43	(576.16)	(554.45)	692.11	771.00
Work-In Progress	(96.84)	(14.14)	(159.19)	(9.68)	21.82
Current Liabilities and Provisions	1,042.19	6,003.90	2,902.63	352.23	(1,450.83)
Cash Generated From Operations	5,972.63	8,119.00	4,374.27	2,955.99	2,174.13
Taxes Paid	2,383.27	2,158.58	1,249.55	1,013.67	776.59
Net Cash Flow From Operating Activities - A	**3,589.36**	**5,960.42**	**3,124.72**	**1,942.32**	**1,397.54**
B. CASH FLOW FROM INVESTING ACTIVITIES					
Purchased of Fixed Assets (Net of Adjustment)	(183.89)	(194.04)	(224.42)	(79.64)	(78.48)
Capital Work in Progress	(33.16)	(36.99)	18.31	(24.18)	(33.48)
Sale of Fixed Assets	0.85	1.85	2.23	2.97	11.68
Interest on Deposits/ Advances to Employees/ UTI Bonds etc	1,548.77	1,554.38	925.49	620.05	586.33
SHARE OF PROFIT ON TRADE INVESTMENT	0.20	14.33	7.22	9.54	10.30
DIVIDEND INCOME	27.83	19.19	2.49	-	30.17
CAPITAL GAIN ON SALE OF CURRENT INVESTMENT	169.82	-	-	-	-
INVESTMENT (GOODWILL) ON CONSOLIDATION OF JOINT VENTURE	-	(0.59)	-	-	-
INVESTMENT (OTHERS)	540.00	(49.11)	(94.49)	9.21	(10.30)
Net Cash Flow From Investing Activities - B	**2,070.42**	**1,309.02**	**636.83**	**537.95**	**516.22**
C. CASH FLOW FROM FINANCING ACTIVITIES					
Dividend Payment (Including Dividend Tax)	(919.80)	(459.90)	(394.20)	(321.56)	(481.64)
Interim Dividend Payment (Including Dividend Tax)	(6,009.81)	(297.77)	(264.92)	(226.92)	(193.50)
Net Cash Flow From Financing Activities - C	**(6,929.61)**	**(757.67)**	**(659.12)**	**(548.48)**	**(675.14)**
Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	**(1,269.83)**	**6,511.77**	**3,102.43**	**1,931.79**	**1,238.62**
Cash & Cash Equivalents at the Beginning of the Year	**19,214.65**	**12,702.88**	**9,600.45**	**7,668.66**	**6,430.04**
Cash & Cash Equivalents at the Close of the Year	**17,944.82**	**19,214.65**	**12,702.88**	**9,600.45**	**7,668.66**
Increase/ (Decrease) in Cash & Cash Equivalents	**(1,269.83)**	**6,511.77**	**3,102.43**	**1,931.79**	**1,238.62**

Notes:

Cash and cash equivalents consist of cash in hand and bank balances.
The previous year's figures have been regrouped/ rearranged/ recasted wherever necessary.
The accompanying accounting policies and notes are an integral part of these statements.

ANNEXURE IV - SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO RESTATED CONSOLIDATED STATEMENTS:

A) Significant Accounting Policies :

a) BASIS OF ACCOUNTING

The Financial Statements are prepared under the historical cost convention and comply with the applicable Accounting Standards and the relevant provisions of the Companies Act, 1956.

b) PRINCIPLES OF CONSOLIDATION

i. The Consolidated Financial Statements relate to Engineers India Limited "the Company", its wholly owned Subsidiary Companies and Joint Venture Companies. The Consolidated Financial Statements have been prepared on the following basis:-

- The Financial Statements of the Company and its Subsidiary Companies have been Consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions and resulting unrealized profits or losses in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements" as notified by the Central Government under Companies (Accounting Standards) Rules, 2006.
- The Financial Statements of the Company and its Joint Venture Companies have been consolidated by applying proportionate consolidation method on a line by line basis for items of assets, liabilities and expenses after eliminating proportionate share of unrealized Profit or Loss in accordance with Accounting standard (AS-27) "Financial Reporting of interests in Joint Ventures" as notified by the Central Government under Companies (Accounting Standards) Rules, 2006
- The Consolidated Financial Statements have been prepared using uniform accounting policies, for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate Financial Statements, except in cases as mentioned under Note No. 1 to the Consolidated Financial Statements.
- The excess of the cost to the Company of its Investment in Subsidiaries or Joint Ventures over its proportionate share in the equity of investee Company at the date of acquisition of stake is recognized in the consolidated financial statements as Goodwill. In case the cost of investment in a Subsidiaries or Joint Ventures is less than the proportionate share in the equity of the investee company as on the date of investment, the difference is recognized as Capital Reserve in the Consolidated Financial Statements.
- FOREIGN EXCHANGE TRANSLATIONS
  For the purpose of preparation of Consolidated Financial Statements, assets and liabilities (other than fixed assets) of Overseas Subsidiary/ Joint Venture have been translated at the rate of exchange prevailing on the date of balance sheet of the foreign Subsidiary Company/ Joint Venture and all items of the profit and loss accounts have been translated at average monthly Exchange Rates and the resultant differences are taken directly to the profit and loss account under "Difference in Exchange (Net)".

ii. The Subsidiary Companies/ Joint Ventures considered in the Consolidated Financial Statements are:

Name of the Company	Relationship	Country of Incorporation	% Share holding held as at 31st March, 2010
Certification Engineers International Limited	Subsidiary	India	100
EIL Asia Pacific Sdn. Bhd.	Subsidiary	Malaysia	100
TEIL Projects Limited	Joint Venture	India	50
Tecnimont EIL Emirates - Consultores E Servicos, LDA	Joint Venture	Portugal	30

iii. The reporting date of Financial Statements of EIL Asia Pacific Sdn. Bhd. (Foreign Subsidiary of the Company) and Tecnimont EIL Emirates- Consultores E Servicos, LDA (Foreign Joint Venture Company) is 31st December, 2009 which is different from that of 'the Company'. Adjustment has been made for the effects of significant transactions that occurred between reporting date of Foreign Subsidiary Company/ Joint Venture and the date of 'the Company's Financial Statements.

c) OTHER SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONCEPTS

The accounts are prepared on historical cost concept based on accrual method of accounting as a going concern, and consistent with generally accepted accounting principles in accordance with the mandatory accounting standards and disclosure requirements as per the provisions of the Companies Act, 1956.

2. INCOME RECOGNITION

i. Income from services rendered is accounted for:
   - In the case of cost plus jobs, on the basis of amount billable under the contracts;
   - In the case of lumpsum services and lumpsum Turnkey contracts, as proportion of actual direct costs of the work to latest estimated total direct cost of the work; and
   - In the case of contracts providing for a percentage fee on equipment/project cost, on the basis of physical progress duly certified.

ii. Other claims including interest on outstandings are accounted for when there is virtual certainty of ultimate collection.

3. TURNOVER/WORK-IN-PROGRESS

i. No income has been taken into account on jobs for which:
   - The terms of remuneration receivable by the Company have not been settled and/or scope of work has not been clearly defined and, therefore, it is not possible in the absence of settled terms to determine whether there is a profit or loss on such jobs. However, in cases where minimum undisputed terms have been agreed to by the clients, income has been accounted for on the basis of such undisputed terms though the final terms are still to be settled.
   - The terms have been agreed to at lumpsum services / lumpsum turnkey contracts and physical progress is less than 25%.

ii. The Cost of such jobs as stated in 'A' above is carried forward as work-in-progress at actual direct cost.

4. FIXED ASSETS

i. Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses.

ii. The cost of any software purchased initially along with the computer hardware is being capitalised along with the cost of the hardware. Any subsequent acquisition / upgradation of software is being capitalized as an asset.

iii. Whenever any new office space is acquired and partitions/fixtures and fittings are provided to make it suitable for use, the expenditure on the same is capitalised and depreciation charged as per Para 5 (a) below. All expenditure on subsequent modifications and repairs of partitions/fixtures and fittings are charged to revenue in the year it is incurred.

5. DEPRECIATION

i. Depreciation on fixed assets is charged on straight line method either on the basis of rates arrived at with reference to the useful life of the assets evaluated by the

Committee consisting of Technical experts and approved by the Management, or the minimum rates prescribed under Schedule XIV of the Companies Act, 1956, whichever is higher.

ii. No depreciation has been provided in the case of land which is on perpetual lease or where no lease deeds have been executed. Premium paid on land where lease agreements have been executed are written off over the period of lease proportionately.

iii. The cost of capitalized software is amortized over a period of three years from the date of its acquisition. However, software individually costing upto Rs.0.50 Million is fully amortized during the year of its acquisition.

iv. 100% depreciation is provided on library books in the year of purchase since individual books are low value items.

v. Assets individually costing less than Rs.5,000 are fully depreciated in the year of acquisition.

6. IMPAIRMENT OF ASSETS

Impairment of cash generating assets are reviewed for impairment whenever an event or changes in circumstances indicate that carrying amount of such assets may not be recoverable. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of assets. If it is found that some of the impairment losses already recognized needs to be reversed the same are recognized in the statement of Profit & Loss Account in the year of reversal.

7. INVENTORIES

Inventories in respect of stores, spares and chemicals etc. are valued at cost or net realisable value which ever is less. Cost is determined on “First In First Out” Basis.

8. PROVISION FOR CONTRACTUAL OBLIGATIONS

The provision for estimated liabilities on account of guarantees & warranties etc. in respect of lumpsum services and lumpsum turnkey contracts awarded to the Company are being made on the basis of assessment of risk and consequential probable liabilities on each such job made by the management.

9. FOREIGN CURRENCY TRANSACTIONS

i. Fixed assets are incorporated at the rates in force when transaction takes place.

ii. Current Assets and Current Liabilities including Cash and Bank balances are carried at the year end exchange rates. Any gain or loss on account of exchange difference is charged to the Profit & Loss Account.

iii. Foreign currency transactions (Income & Expenditure) are accounted for at average monthly rates based on market rates for preceding month in respect of Pound Sterling, US Dollars, Euro, Australian Dollar, Canadian Dollar, Swiss Franc & Japanese Yen and in respect of other currencies at Government rates prevailing in the month. Payments to sub-contractors/vendors from Foreign Currency (FCN) account are recorded at bank rate prevailing on the date of transaction.

10. RESEARCH AND DEVELOPMENT EXPENDITURE/GOVERNMENT GRANT

i. Revenue expenditure on Research and Development is charged to Profit and Loss Account in the year the expenditure is incurred. Capital Expenditure on Research and Development is capitalized under respective fixed assets.

ii. Government grant of capital nature for promotion and setting up of R&D Centre is treated as Capital Reserve and shown separately under Reserves and Surplus.

iii. Funds received from Government Agencies to carry out Research and Development activities are shown under the Head ‘other income’ as adjustment against expenditure incurred. Unutilised funds are shown under other liabilities.

11. **RETIREMENT / OTHER LONG TERM EMPLOYEE BENEFITS**

   i. Liability in respect of Gratuity, a defined benefit plan, is being paid to a fund maintained by LIC and administered through a separate irrevocable trust set up by the company. Difference between the fund balance and accrued liability at the end of the year based on actuarial valuation is charged to Profit & Loss Account.
   ii. Liability towards carried forward leave and post retirement medical benefits, being defined benefit plans, is paid to a fund maintained by LIC and difference between the fund balance and accrued liability at the end of the year based on actuarial valuation is charged to Profit & Loss Account.
   iii. Contributions with respect to Provident Fund, a defined contribution plan, are made to the trust set-up by the Company for the purpose.
   iv. Contribution with respect to Superannuation Scheme, a defined contribution plan for employees is paid to a fund maintained by the Life Insurance Corporation of India and administered through separate irrevocable trust set up by the Company.
   v. Liability in respect of other long term/terminal employee benefits, being defined benefit plans, is recognized on the basis of actuarial valuation.
   vi. Voluntary retirement expenses are amortised over a period of five years or over a period till 31st March, 2010, whichever is shorter.

12. Expenses/Income booked to Profit and Loss Account are after adjustment of excess/short provisions. However, in cases of specific provisions where no expenses/income has been incurred/received against such provisions, the same are adjusted as excess provisions of previous years written back/Miscellaneous income.

13. Dividend on Units/Shares is accounted for on declaration made upto the close of the accounting year. Income distributed/undistributed surplus on investment in an AOP is recognised as income as per intimation received.

14. **TAXES ON INCOME**

   Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Asset is recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred assets can be realised.

15. **INVESTMENT**

   Long-term investments are carried at cost. However, when there is a decline, other than temporary, in the value of a long-term investment, the carrying amount is reduced to recognise the decline.

   Current Investments are carried at the lower of cost or market value.

B) Major Changes in accounting policies during the Years ended March 31, 2006 to March 31, 2010:

1. Year ended March 31, 2006

As per AS-15 " Accounting for Retirement Benefits in the Financial Statements of Employers" issued by the Institute of Chartered Accountants of India liability, for Post Retirement Health Scheme has been made on basis of actuarial valuation for existing as well as retired employees as against earlier Policy of providing Liability for existing employees only.

Certification Engineers International Ltd. (CEIL), the Subsidiary Company has recognized income for lumpsum contract in proportion of actual direct cost of the work to date to the latest estimated total direct cost of the work as against earlier policy as proportion of actual direct cost of the work to date to the latest estimated total direct cost of the work, or in proportion to physical progress, whichever is less.

2. Year ended March 31, 2007

Certification Engineers International Ltd. (CEIL), a subsidiary company has provided Liability in respect of Gratuity on the basis of actuarial valuation as against earlier policy of providing the same on the basis of accrual.

3. Year ended March 31, 2008

Liability in respect of Other Long Term Benefits being defined benefit plan has been recognized on the basis of actuarial valuation as against earlier policy of charging expenditure on availing the facility.

Certification Engineers International Ltd. (CEIL), a subsidiary company has provided for carried forward leave on the basis of actuarial valuation as against earlier policy of providing the same on accrual basis

C) Impact of changes in accounting policies, material adjustments, prior period items and extraordinary items

(In Rs. Million)

PARTICULARS	FOR THE YEAR ENDED MARCH 31				
	2010	**2009**	**2008**	**2007**	**2006**
Profit After Tax as per Audited Accounts	**4,404.74**	**3,511.46**	**1,980.21**	**1,451.30**	**1,428.23**
Adjustment on account of					
Change in Accounting Policies					
Income Recognition	-	-	-	-	(0.08)
Salaries Cost	-	-	(1.74)	0.61	0.10
Income Tax	-	-	0.59	(0.14)	(0.01)
Post Retirement Medical Benefit	-	-	-	-	209.84
Other Long Term Benefits on Retirement	-	-	-	(0.80)	(0.80)
Deferred Tax	-	-	(0.59)	0.14	(70.58)
Total	**-**	**-**	**(1.74)**	**(0.19)**	**138.47**
Material Adjustments					
Net Sales/Income from Operations	-	(8.07)	(0.87)	(12.08)	4.06
Other Income	-	0.14	0.01	0.70	11.13
Salaries Cost	-	-	-	(0.20)	-
Facilities	-	-	-	-	(12.37)
Corporate Cost	-	(0.05)	-	-	-
Others	-	(0.20)	(0.07)	(0.58)	(0.14)
Depreciation	0.01	0.81	(0.27)	0.41	0.46
Deferred Tax	-	-	(4.32)	0.30	(40.14)
Total	**0.01**	**(7.37)**	**(5.52)**	**(11.45)**	**(37.00)**
Prior Period Adjustment (Net)	**8.18**	**0.93**	**24.86**	**(2.68)**	**20.47**
Prior Period Tax Adjustment	**49.32**	**(4.96)**	**4.99**	**(50.64)**	**(10.89)**
Prior Period Deferred Tax Adjustment	**(18.81)**	**(10.10)**	**(13.22)**	**-**	**-**
Income Tax Reallocated	**-**	**(13.60)**	**5.42**	**(9.40)**	**(4.65)**
Deferred Tax Reallocated	**-**	**18.81**	**(2.36)**	**13.09**	**8.22**
Total Impact of Adjustments	**38.70**	**(16.29)**	**12.43**	**(61.27)**	**114.62**
Adjusted Profit After Tax	**4,443.44**	**3,495.17**	**1,992.64**	**1,390.03**	**1,542.85**

D) Notes on Adjustments Carried out :

1. Prior Period Items

i. Certain items of Income/Expenditure/Income Tax/Deferred Tax have been identified as prior period items, which have been shown as adjusted in respective years to which these Income/ Expenditure/ Income Tax/ Deferred Tax pertain. Accordingly, Income/ Expenditure/ Income Tax/ Deferred Tax relating to earlier years in Profit & Loss account has been reallocated to respective years.

2. The Company adopted Accounting Standard 15 (Revised) 'Employee Benefits' from 2007-08. For purpose of restatement, AS-15 (Revised) has not been applied for 2004-05 to 2006-07 as AS-15 (Revised) required prospective adjustments only. The cumulative impact upto 31.3.2007 has been adjusted from General Reserve in line with transitional provision of AS-15 (Revised).

3. **Changes in Accounting Policies**

   i. During 2005-06, Company has changed its accounting policy for providing liability for Post Retirement Health Scheme in terms of AS -15 " Accounting for Retirement Benefits in the Financial Statements of Employers" issued by the Institute of Chartered Accountants of India for Retired employees on the basis of actuarial valuation as against charging expenditure on availing of facility. For purpose of restatement, the effect of the same has been adjusted in 2005-06.

   ii. During the year 2005-06, CEIL (Subsidiary Company) changed its accounting policy to recognize income from lumpsum contract in respect of actual direct cost of work to the latest estimated total direct cost of the work for the purpose of restatement, necessary adjustment has been made.

   iii. During the year 2006-07, CEIL (Subsidiary Company) changed its policy to recognize liability for gratuity on the basis of actuarial valuation. For purpose of restatement, effect of the same is adjusted in respective years.

   iv. During 2007-08, CEIL (Subsidiary Company) changed its policy to recognize the liability in respect of carried forward leave on the basis of actuarial valuation as against charging expenditure on availing of facility. For purpose of restatement effect of the same is adjusted in respective years.

   v. During 2007-08, Company has changed its policy to recognize liability for Other Long Term Benefits on Retirement based upon Actuarial Liability. For purpose of restatement, effect of same is adjusted in respective years.

E) SIGNIFICANT NOTES TO RESTATED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAR 2010

1. Recognition of income in case of lumpsum services contracts on the basis of Completed contract method in case of EIL Asia Pacific Sdn. Bhd. as against as proportion of actual direct cost of the work to the latest estimated direct cost of the work (on cost progress basis) in the case of Holding Company.

   No deferred tax assets is created on provision for doubtful debts in the case of EIL Asia Pacific Sdn. Bhd.

   Depreciation has been provided for on Written Down Value method at the rates specified in Schedule XIV to the Companies Act, 1956, in respect of Joint Venture, TEIL Projects Limited as against on the basis of Straight Line Method at the rates specified in Schedule XIV of the Companies Act, 1956 or rates arrived at on the basis of useful life of asset, whichever is higher in the case of 'the Company'.

   The proportion of above items in the Consolidated Financial Statements is not material.

2. There is no impairment of cash generating assets during the year in terms of AS-28 "Impairment of Assets.

3. The wage revision in respect of Board Level and below Board Level Executives and non-unionized Supervisors effective 1st January 2007 was implemented during the year. For unionized staff the estimated wage revision liability till March, 2010 has been provided in the books of accounts.

4. The company during the year implemented Defined Contribution Superannuation Scheme for its employees effective 1st January 2007. The company has formed a separate irrevocable trust to administer the said scheme. The Trust had taken a policy with Life Insurance Corporation of India to which defined contribution under the scheme were made and charged to the profit & loss account.

5. As per Approval under Section 205A(3) of the Companies Act, 1956, received from Government of India, Ministry of Corporate Affairs vide Approval No. 10/1/2010-CL-VI dated 05.3.2010, the Company during the year transferred a sum of Rs.5615.61 Million to Profit & Loss Account from General Reserves to declare and make payment of Special Interim Dividend @ 1000% (i.e. Rs.100/- per share having face value of Rs.10/- each) to its Shareholders.

6. Provisions no longer required written back under head `Other Income' represents:

   i. Contractual obligations written back for Rs.12.70 Million (Rs.67.63 Million) in respect of contracts for which obligation under respective contracts is completed.
   ii. Wage revision liability written back for Rs. Nil (Rs. 601.70 Million).

7. In terms of provision of Accounting Standard (AS –7) "Construction Contracts", for Lumpsum / Lumpsum Trunkey Projects for contract in progress as on 31.03.2010:

   i. The aggregate amount of cost incurred and recognized Profit up to 31.03.2010 Rs. 46,034.53 Million (Rs.31,000.75 Million).

   ii. The amount of advances received Rs.31.93 Million (Rs. 437.76 Million).

   iii. The amount of retention – Rs.0.95 Million (Rs. 4.59 Million)

8. In terms of AS-15 (Employee Benefits), the Company is having the following Retiral/ Long Term Benefit Plans :

   Defined Contribution Plans

   i. Contributory Provident Fund & Employees Pension Scheme, 1995
   ii. Employees Defined Contributory Superannuation Scheme

   Defined Benefit Plans

   iii. Gratuity (Funded)
   iv. Leave Encashment (Funded)
   v. Post Retirement Medical Benefits (Funded)
   vi. Long Service Awards (Unfunded)
   vii. Other benefits on Retirement (Unfunded)

9. **EARNING PER SHARE (E. P. S.)**

The shareholders of the company in their extra ordinary general meeting held on 22nd April, 2010 approved sub division of equity share of face value of Rs.10/- each into 2 equity shares of the company of face value of Rs.5/- each and issue of Bonus Shares in the ratio of 2:1, by capitalizing a sum not exceeding Rs. 1,123.12 Million representing a part of undistributed profit standing to the credit of General Reserve.

Post sub-division and bonus issue, company's share capital consists of 336936600 equity shares of Rs.5/- each.

As per Accounting Standard – 20 on "Earning Per Share" ("AS-20"), Basic and Diluted Earning Per Share has been adjusted for all periods presented, based on the new number of shares i.e. 336,936,600 equity shares of Rs.5/- each.

	Calculation of E.P.S.	2009-10	2008-09
A	Net Profit for the year attributable to Equity Shareholders (Rs. in Million)	4,443.44	3,495.17
B	Weighted average number of Equity shares	336,936,600	336,936,600
C	Basic & Diluted Earning per share (A)/(B)	Rs.13.19	Rs.10.37
D	Nominal value per share	Rs. 5	Rs. 5

10. All figures are in Rupees million except otherwise stated and have been rounded off to the second decimal.

ANNEXURE V – STATEMENT OF CONSOLIDATED ACCOUNTING RATIOS

(In Rs. Million)

PARTICULARS	F OR YEAR ENDED 31, MARCH				
	2010	2009	2008	2007	2006
Earning Per Share (Rs.)*					
Basic	13.19	10.37	5.91	4.13	4.58
Diluted	13.19	10.37	5.91	4.13	4.58
Return on Net Worth (%)	38.56%	24.89%	16.94%	13.22%	15.94%
Net Assets Value per Share(Rs.)*	34.20	41.68	34.92	31.20	28.73
Total number of shares outstanding at the beginning of the year *	336,936,600	336,936,600	336,936,600	336,936,600	336,936,600
Total number of shares outstanding at the end of the year *	336,936,600	336,936,600	336,936,600	336,936,600	336,936,600
Weighted Average number of Equity Shares used as denominator *					
Basic	336,936,600	336,936,600	336,936,600	336,936,600	336,936,600
Diluted	336,936,600	336,936,600	336,936,600	336,936,600	336,936,600

*The Shareholders of the company in their extra ordinary general meeting held on 22nd April,2010 approved sub division of Equity Share of face value of Rs. 10/- each into 2 equity shares of the company of face value of Rs. 5/- each and issue of Bonus Shares in the ratio of 2 : 1 capitalizing a sum not exceeding Rs. 1,123.12 Million representing a part of undistributed profit standing to the credit of General Reserve. Post sub-division and bonus issue, company's share capital consists of 336936600 equity shares of Rs. 5/- each amounting to Rs. 1,684.68 Million.

*The above information has been adjusted for all periods, based on new number of shares after sub division of equity share of face value of Rs.10/- each into 2 equity shares of the company of face value of Rs5/- each and issue of Bonus Shares in the ratio of 2 : 1 .

Notes:

The ratios have been calculated as under:

a) Earnings per share (Rs.) = Net profit after tax / Weighted average number of equity shares as at year end
b) Return on Net worth (%) = Net profit after tax / Net worth (excluding Revaluation Reserve + Capital Grant Received against Fixed Assets) as at year end
c) Net asset value (Rs.) = Net worth (excluding Revaluation Reserve + Capital Grant received against Fixed Assets) / Number of equity shares outstanding as at year end

ANNEXURE VI –STATEMENT OF CONSOLIDATED CAPITALIZATION

(In Rs. Million)

PARTICULARS	PRE- ISSUE AS AT 31 Mar 2010	POST – ISSUE* (As adjusted for Issue)
Debt	**-**	**-**
Shareholders Funds		
a) Equity Share capital	561.56	1,684.68**
b) Reserves & Surplus	10980.61	9,857.49**
Total Shareholders Funds	11,542.17	11,542.17
Less: Miscellaneous Exp. To the extent not written-off	-	-
Net Worth	11,542.17	11,542.17
Long Term Debt/ Equity	N.A	N.A

Notes:

* There will be no change in the Capitalisation statement post issue as the issue is in connection with the ' Further Public Offering' of equity shares for sale by the President of India.
** The Shareholders of the company in their extra ordinary general meeting held on 22nd April, 2010 approved sub division of Equity Share of face value of Rs. 10/- each into 2 equity shares of the company of face value of Rs. 5/- each and issue of Bonus Shares in the ratio of 2 : 1 capitalizing a sum not exceeding Rs. 1,123.12 Million representing a part of undistributed profit standing to the credit of General Reserve. Post sub-division and bonus issue, company's share capital consists of 336,936,600 equity shares of Rs. 5/- each amounting to Rs. 1684.68 Million.

ANNEXURE VII – STATEMENT OF CONSOLIDATED TAX SHELTERS

(In Rs. Million)

PARTICULARS	FOR YEAR ENDED 31, MARCH				
	2010	2009	2008	2007	2006
Restated Profit before Tax (A)	6,709.08	5,319.16	3,031.80	2,081.04	2,307.06
Tax Rate	33.99%	33.99%	33.99%	33.66%	33.66%
Notional Tax on Restated Profits	2,280.42	1,807.98	1,030.51	700.48	776.56
Adjustments:					
Permanent Differences:					
Interest Income Exempt U/S 10.	-	(14.20)	(85.18)	(85.18)	(85.18)
Dividend Income (Exempt U/S 10).	(57.83)	(44.19)	(14.99)	(30.00)	(20.00)
Share of Income from AOP Exempt U/S 86	(0.20)	(14.33)	(7.22)	(9.54)	(10.30)
Previous Year Adjustments	-	7.98	-	-	(12.54)
Income chargeable as Capital Gains	(169.82)	-	-	-	-
Disallowance U/S 14A read with Rule 8D	4.84	-	-	-	-
Others	45.78	27.89	33.58	27.82	13.84
Total Permanent Difference (B)	**(177.23)**	**(36.85)**	**(73.81)**	**(96.90)**	**(114.18)**
Timing Differences:					
Diff. between Book & Tax Depreciation	(23.46)	(33.65)	(8.44)	11.71	26.29
Expenses Allowable on Cash Basis U/S 43B	319.19	216.03	43.64	738.54	101.16
Provision for Contractual obligations	463.45	462.26	316.72	157.11	205.84
Provision for Doubtful Debts	14.49	(9.72)	(35.84)	(65.41)	129.33
Provision for Foreseeable Losses	-	(3.06)	0.10	(6.12)	(122.78)
Provision for Others	4.70	6.61	6.75	0.58	1.17
Total Timing Difference (C)	**778.37**	**638.47**	**322.93**	**836.41**	**341.01**
Net Adjustment (B)+(C)	**601.14**	**601.62**	**249.13**	**739.51**	**226.84**
Tax Shelter	204.33	204.49	84.68	248.92	76.36
Taxable Income (D)= (A)+(B)+(C)	**7,310.22**	**5,920.78**	**3,280.93**	**2,820.55**	**2,533.90**
Long Term Capital Gains After Indexation Chargeable at 22.66%(E)	**49.55**	**-**	**-**	**-**	**-**
Total Taxable income as per Income Tax Return (F)= (D)+(E)	**7,359.77**	**5,920.78**	**3,280.93**	**2,820.55**	**2,533.90**
Total Tax as per Return	**2,495.97**	**2,012.47**	**1,115.19**	**949.40**	**852.93**

ANNEXURE VIII – STATEMENT OF CONSOLIDATED DIVIDEND DECLARED

(In Rs. Million)

PARTICULARS	FOR YEAR ENDED 31, MARCH				
	2010	2009	2008	2007	2006
Equity Share Capital *					
Face Value (Rs.)	10	10	10	10	10
No. of Shares	56,156,100	56,156,100	56,156,100	56,156,100	56,156,100
Rate of Dividend (%)					
Interim **	1060%	45%	40%	35%	30%
Final	-	140%	70%	60%	50%
Amount of Dividend					
Interim	5,952.54	252.70	224.62	196.55	168.47
Final	-	786.19	393.09	336.94	280.78
Corporate Dividend Tax	1,014.55	178.69	107.10	87.63	65.83

Notes:

* The Shareholders of the company in their extra ordinary general meeting held on 22nd April, 2010 approved sub division of Equity Share of face value of Rs. 10/- each into 2 equity shares of the company of face value of Rs. 5/- each and issue of Bonus Shares in the ratio of 2 : 1 capitalizing a sum not exceeding Rs. 1,123.12 Million representing a part of undistributed profit standing to the credit of General Reserve. Post sub-division and bonus issue, company's share capital consists of 336,936,600 equity shares of Rs. 5/- each amounting to Rs. 1,684.68 Million.

** As per Approval under Section 205A(3) of the Companies Act, 1956 , received from Government of India, Ministry of Corporate Affairs vide Approval No. 10/1/2010-CL-VI dated 5-3-2010, the Company during Financial Year 2009-10 transferred a sum of Rs. 5,615.61 Million to Profit & Loss Account from General Reserves to declare and make payment of Special Interim Dividend @ 1000 % (i.e. Rs. 100/- per share having face value of Rs. 10/- each) to its shareholders.

Rate of Dividend and amount of Dividend pertain to ‘The Company’ only. Corporate Dividend tax includes amount pertaining to CEIL (Subsidiary Company) also.

ANNEXURE IX – STATEMENT OF CONSOLIDATED CHANGES IN SHARE CAPITAL

(In Rs. Million)

PARTICULARS	AS AT 31 MARCH				
	2010	2009	2008	2007	2006
Share Capital *					
Authorised Share Capital					
No. of Equity Shares of Rs. 10. each (In Million)	100	100	100	100	100
Amount	**1,000.00**	**1,000.00**	**1,000.00**	**1,000.00**	**1,000.00**
Issued					
No. of Equity Shares (in Million) at the beginning of the Year	**56.20**	**56.20**	**56.20**	**56.20**	**56.20**
Amount	**561.97**	**561.97**	**561.97**	**561.97**	**561.97**
Subscribed & Paid Up					
No. of Equity Shares (in Million) at the beginning	56.16	56.16	56.16	56.16	56.16
of the Year					
Add: Bonus Issue (in Million)	-	-	-	-	-
Add: Fresh Issue of Equity Shares (in Million)	-	-	-	-	-
No. of Equity Shares (in Million) at the end of the Year	56.16	56.16	56.16	56.16	56.16
Amount	**561.56**	**561.56**	**561.56**	**561.56**	**561.56**

Notes:

* The Shareholders of the company in their extra ordinary general meeting held on 22nd April,2010 approved increase of Authorised Share Capital of 100 Million equity Shares of Rs. 10/- each amounting to Rs. 1,000 Million to 600 Million Equity Shares of Rs. 5 each amounting to Rs. 3,000 Million , sub division of Equity Share of face value of Rs. 10/- each into 2 equity shares of the company of face value of Rs. 5/- each and issue of Bonus Shares in the ratio of 2 : 1 capitalizing a sum not exceeding Rs. 1,123.12 Million representing a part of undistributed profit standing to the credit of General Reserve.

Post sub-division and bonus issue, company's share capital consists of 336,936,600 equity shares of Rs. 5/- each amounting to Rs. 1,684.68 Million.

ANNEXURE X – STATEMENT OF CONSOLIDATED OF OTHER INCOME

(In Rs. Million)

Particulars	FOR THE YEAR ENDED MARCH 31,					Nature	
	2010	2009	2008	2007	2006	(Recuring /Non Recurring)	Related/ Non Related to Business
INTEREST EARNED (GROSS)							
ON BANK DEPOSITS	1,493.18	1,417.47	1,013.06	558.83	363.10	Recurring	Related
ON OTHER DEPOSITS	0.11		3.46	10.06	5.67	Non-Recurring	Related
ON ADVANCES TO EMPLOYEES	22.92	28.54	28.24	27.15	33.68	Recurring	Related
ON INCOME TAX REFUND	-	0.90	2.01	37.20	8.49	Non-Recurring	Related
OTHERS	14.96	13.35	4.11	0.81	107.28	Non-Recurring	Related
INCOME FROM LONG TERM INVESTMENTS:							
SHARE OF PROFIT FROM AOP (TRADE INVESTMENT)	0.20	14.33	7.22	9.54	10.30	Recurring	Related
INTEREST ON 6.75% TAX FREE US 64 BONDS OF UTI		14.20	85.18	85.18	85.18	Recurring	Related
DIVIDEND INCOME FROM CURRENT INVESTMENTS	27.83	19.18	2.49	-	-	Recurring	Related
CAPITAL GAIN ON CURRENT INVESTMENTS	169.82					Non-Recurring	Related
PROFIT ON SALE OF ASSETS	0.22	0.22	0.77	2.48	10.64	Non-Recurring	Related
FOREIGN EXCHANGE DIFFERENCE (NET)	44.26	-	14.24	-	16.77	Non-Recurring	Related
PROVISIONS NO LONGER REQUIRED WRITTEN BACK	12.70	673.13	114.44	255.14	53.69	Non-Recurring	Related
MISCELLANEOUS INCOME	43.50	34.15	65.98	74.04	24.53	Non-Recurring	Related
TOTAL	**1,829.70**	**2,215.47**	**1,341.20**	**1,060.43**	**719.33**		

ANNEXURE XI – STATEMENT OF CONSOLIDATED SECURED AND UNSECURED LOANS

(In Rs. Million)

PARTICULARS	OUTSTANDING AS AT 31 MARCH				
	2010	2009	2008	2007	2006
Lender					
N.A.	NIL	NIL	NIL	NIL	NIL

ANNEXURE XII – STATEMENT OF CONSOLIDATED INVESTMENTS

(In Rs. Million)

PARTICULARS	AS AT 31 MARCH				
	2010	2009	2008	2007	2006
LONG TERM INVESTMENTS					
INVESTMENT IN PETROLEUM INDIA INTERNATIONAL	113.23	114.89	103.82	109.35	118.56
INVESTMENT IN 6.75% TAX FREE US 64 BONDS OF RS 100/- EACH OF UTI	-	-	1,261.94	1,261.94	1,261.94
CURRENT INVESTMENTS					
Liquid and Fixed Maturity Plans of Mutual Funds	861.66	1,400.00	100.02	-	-
TOTAL	**974.89**	**1,514.89**	**1,465.78**	**1,371.29**	**1,380.50**

ANNEXURE XIII – STATEMENT OF CONSOLIDATED SUNDRY DEBTORS

(In Rs. Million)

PARTICULARS	AS AT 31 MARCH				
	2010	2009	2008	2007	2006
Unsecured					
Outstanding For a Period Exceeding Six Months:					
Considered Good	704.48	510.89	493.86	644.74	672.66
Considered Doubtful	494.12	479.58	488.89	525.10	591.01
Less :Provision for Doubtful Debts	**(494.12)**	**(479.58)**	**(488.89)**	**(525.10)**	**(591.01)**
Other Debts – Considered Good	**2,554.27**	**2,571.16**	**1,369.52**	**1,409.19**	**1,806.45**
Total	**3,258.75**	**3,082.05**	**1,863.38**	**2,053.93**	**2,479.11**

Note:

There is no amount due from Promoters and Directors included in Sundry Debtors

ANNEXURE XIV – STATEMENT OF CONSOLIDATED LOANS AND ADVANCES GIVEN

(In Rs. Million)

PARTICULARS	AS AT 31 MARCH				
	2010	2009	2008	2007	2006
Advances Recoverable in Cash or in Kind or for value to be Received					
Secured	348.13	373.40	419.13	486.53	578.53
Unsecured - Considered Good	1,217.59	1,393.80	1,103.49	333.65	446.59
- Considered Doubtful	0.87	0.87	1.28	0.56	0.36
Less : Provision for Doubtful Advances	**(0.87)**	**(0.87)**	**(1.28)**	**(0.56)**	**(0.36)**
Inter Corporate Deposits (Unsecured Considered Good)	**-**	**-**	**-**	**70.00**	**90.00**
Advance Income Tax (Net of Provision)	**220.95**	**335.37**	**218.09**	**115.84**	**87.73**
Advance Fringe Benefit Tax (Net of Provision)	**3.50**	**2.95**	**2.43**	**(1.00)**	**(5.79)**
Security Deposit					
Unsecured - Considered Good	34.84	22.33	12.61	112.67	120.29
- Considered Doubtful	0.03	0.03	0.03	0.03	0.03
Less : Provision for Doubtful Deposit	**(0.03)**	**(0.03)**	**(0.03)**	**(0.03)**	**(0.03)**

PARTICULARS	AS AT 31 MARCH				
	2010	2009	2008	2007	2006
Claims Receivable	**28.63**	**28.63**	**28.63**	**28.63**	**28.87**
Total	**1,853.64**	**2,156.48**	**1,784.38**	**1,146.32**	**1,346.22**
Due from Directors	0.71	2.62	2.31	0.31	0.26
Due from Promoters	0	0	0	0	0

ANNEXURE XV – STATEMENT OF CONSOLIDATED CURRENT LIABILITIES AND PROVISIONS

(In Rs. Million)

PARTICULARS	AS AT 31 MARCH				
	2010	2009	2008	2007	2006
A. CURRENT LIABILITIES					
Sundry Creditors	1,930.09	1,647.05	767.27	847.55	1,670.23
Security Deposits	1,401.60	1,039.07	511.72	592.19	634.43
Advances	8,001.92	6,969.50	4,817.62	2,759.20	925.38
Service Tax Payable	259.82	222.23	137.49	115.03	126.70
Unclaimed Dividend	510.42	3.03	2.63	2.37	2.03
Other Liabilities	1,932.66	3,080.84	1,772.75	916.41	388.24
TOTAL	**14,036.51**	**12,961.72**	**8,009.48**	**5,232.75**	**3,747.01**
B. PROVISIONS					
Employees Post Retirement/Long Term Benefits	377.25	872.92	220.25	322.69	1,454.76
Contractual Obligations	1,859.89	1,396.83	994.67	737.60	743.87
Foreseeable Losses	-	-	3.06	2.96	9.08
Proposed Dividend	-	786.19	393.09	336.94	280.78
Tax on Dividend	957.28	133.61	66.81	57.26	40.78
TOTAL	**3,194.42**	**3,189.55**	**1,677.88**	**1,457.45**	**2,529.27**

ANNEXURE XVI – STATEMENT OF CONSOLIDATED RELATED PARTY TRANSACTIONS

PARTICULARS	FOR YEAR ENDED 31 MARCH				
	2010	2009	2008	2007	2006
Key Management Personnel	Mr. A K Purwaha (Chairman & Managing Director w.e.f. 01.10.2009)	Mr. Mukesh Rohatgi (Chairman & Managing Director, holding additional charge of Director (Finance) w.e.f. 04.03.2009)	Mr. Mukesh Rohatgi (Chairman & Managing Director)	Mr. Mukesh Rohatgi (Chairman & Managing Director)	Mr. Mukesh Rohatgi (Chairman & Managing Director w.e.f. 01.10.2005)
	Mr. Mukesh Rohatgi (Chairman & Managing Director upto 30.09.2009)	Mr. L.N. Gupta (Director (Govt. Nominee) w.e.f. 25.06.2008)	Mr. D.S. Chakrabarti (Director)	Mr. D.S. Chakrabarti (Director)	Mr. M.K. Dalal (Chairman & Managing Director upto 30.09.2005)
	Mr. L.N. Gupta (Director (Govt. Nominee))	Mr. Dependra Pathak (Director (Govt. Nominee))	Mr. Dependra Pathak (Director (Govt. Nominee) w.e.f. 12.10.2007)	Mr. P.K. Saha (Director upto 31.12.2006)	Mr. D.S. Chakrabarti (Director)
	Mr. Dependra Pathak (Director (Govt. Nominee))	Mr. M.K. Joshi (Director)	Mr. M.K. Joshi (Director)	Mr. M.K. Joshi (Director)	Mr. P.K. Saha (Director)
	Mr. M.K. Joshi (Director (Technical))	Mr. D.K. Gupta (Director)	Mr. D.K. Gupta (Director)	Mr. R.K. Saxena (Director w.e.f. 01.01.2007)	Mr. M.K. Joshi (Director)
	Mr. D.K. Gupta (Director (Personnel) upto 31.01.2010)	Mr. R.K. Saxena (Director)	Mr. R.K. Saxena (Director)	Mr. R.K. Grover (Director w.e.f. 03.04.2007)	Mr. Nathu Lal (Part-time Director upto 30.04.2005)
	Mr. R.K. Saxena (Director (Commercial))	Mr. R.K. Grover (Director)	Mr. R.K. Grover (Director w.e.f. 03.04.2007)	Mr. Prabh Das (Director (Govt. Nominee)	Mr. Prabh Das (Director (Govt. Nominee)

PARTICULARS	FOR YEAR ENDED 31 MARCH				
	2010	2009	2008	2007	2006
	Mr. R.K. Grover (Director (Projects))	Mr. D.S. Chakrabarti (Director upto 04.03.2009)	Mr. Prabh Das (Director upto 05.03.2008)	Mr. P. Mukerji (Director upto 31.03.2007)	Mr. P. Mukerji (Director)
	Mr. Ram Singh (Director (Finance) w.e.f. 28.01.2010)	Dr. Avinash Chandra (Director)	Dr. Avinash Chandra (Part-time Director w.e.f. 20.06.2007)	Mr. P.K. Agarwal (Director upto 30.09.2006)	Mr. P.K. Agarwal (Director)
	Dr. Avinash Chandra (Director)	Mr. A.K. Purwar (Director)	Mr. A.K. Purwar (Part-time Director w.e.f. 09.01.2008)	Mr. B.M. Bansal (Part-time Director upto 29.12.2006)	Mr. B.M. Bansal (Part-time Director)
	Mr. A.K. Purwar (Director)	Mr. U.N. Bose (Director)	Mr. U.N. Bose (Part-time Director)	Mr. U.N. Bose (Part-time Director)	Mr. U.N. Bose (Part-time Director w.e.f. 18.01.2006)
	Mr. U.N. Bose (Director)	Mr. B.N. Bankapur (Director)	Mr. B.N. Bankapur (Part-time Director)	Mr. B N. Bankapur (Part-time Director w.e.f. 29.12.2006)	Mr. Talmiz Ahmad (Part-time Director 13.04.2005 to 27.02.2006)
	Mr. B N. Bankapur (Director)	Mr. Sudershan Gupta (Director (CEIL))	Mr. Ravi Capoor ((Part-time Director upto 05.10.2007)	Mr. Ravi Capoor (Part-time Director)	Mr. Ravi Capoor (Part-time Director w.e.f. 27.02.2006)
	Mr. D. Moudgil (Director (CEIL) w.e.f. 01.05.2009)	Mr. R. K. Garg (Director (TEIL Projects Ltd, a joint venture company) – EIL's Nominee)	Mr. Sudershan Gupta (Director (CEIL))	Mr. Sudershan Gupta (Director (CEIL) w.e.f. 08.09.2006)	Mr. J.N. Mittal (Director (CEIL) upto 31.01.2006)
	Mr. G.D. Goyal (Director (CEIL) w.e.f. 01.05.2009)	Mr. Dato Haji Ibrahim Bin Haji Ismail (Director (EILAP))	Mr. R. K. Sehgal (CEO (CEIL) up to 11.04.2008)	Mr. R. K. Sehgal (CEO, CEIL)	Mr. R. K. Sehgal (CEO, CEIL)
	Mr. Sudershan Gupta (Director (CEIL))	Mr. Samad Bin Solbai (Director (EILAP))	Mr. Dato Haji Ibrahim Bin Haji Ismail (Director (EILAP))	Mr. Dato Haji Ibrahim Bin Haji Ismail (Director (EILAP))	Mr. Dato Haji Ibrahim Bin Haji Ismail (Director (EILAP))
	Mr. R. K. Garg (Director (TEIL Projects Ltd, a joint venture company) – EIL's Nominee)	Mr. M.V.K. Kumar (CEO (CEIL))	Mr. Samad Bin Solbai (Director (EILAP))	Mr. Samad Bin Solbai (Director (EILAP))	Mr. Samad Bin Solbai (Director (EILAP))
	Mr. Dato Haji Ibrahim Bin Haji Ismail (Director (EILAP) upto 08.12.2009)		Mr. M.V.K. Kumar (CEO (CEIL) w.e.f. 03.04.2008)		
	Mr. Samad Bin Solbai (Director (EILAP))				
	Mr. M.V.K. Kumar (CEO, CEIL)				
	Mr. Tan Hor Seng (Director (EILPAP) w.e.f. 09.12.2009)				
Joint Venture Company	TEIL PROJECTS LTD.	TEIL PROJECTS LTD.			
	TECNIMONT EIL EMIRATES CONSULTORES E SERVICOS, LDA	TECNIMONT EIL EMIRATES CONSULTORES E SERVICOS, LDA			
Association of Persons	PETROLEUM INDIA INTERNATIONAL	PETROLEUM INDIA INTERNATIONAL	PETROLEUM INDIA INTERNATIONAL	PETROLEUM INDIA INTERNATIONAL	PETROLEUM INDIA INTERNATIONAL

(In Rs. Million)

PARTICULARS	FOR THE YEAR ENDED 31 MARCH				
	2010	2009	2008	2007	2006
I. WITH KEY MANAGEMENT PERSONNEL					
Remuneration/ Sitting Fees	28.69	19.83	13.54	10.77	8.73
Rent Paid for Residential accommodation	0.51	1.09	1.11	0.96	0.88
Outstanding Loans, Interest & other Receivables	0.71	2.62	2.31	0.31	0.26
II. WITH ASSOCIATION OF PERSONS					
Share of Profit	0.20	14.33	7.22	9.54	10.30
Rendering of Services (lump-sum contracts)	-	-	-	-	9.48
Outstanding Receivables	2.17	2.17	1.33	1.43	3.31
III. WITH JOINT VENTURES					
Deputation of Employees & Reimbursement of Expenses (at cost)	2.35	1.34	0.00	0.00	0.00
Outstanding Receivables	0.66	0.24	0.00	0.00	0.00

ANNEXURE XVII – STATEMENT OF CONSOLIDATED RESERVES AND SURPLUS

(In Rs. Million)

PARTICULARS	AS AT 31 MARCH				
	2010	2009	2008	2007	2006
General Reserve	10,857.73	13,381.38	11,103.79	9,855.91	9,087.00
Share Premium Account	92.01	92.01	92.01	92.01	92.01
Capital Reserve	30.87	30.87	30.87	30.87	30.87
Total	**10,980.61**	**13,504.26**	**11,226.67**	**9,978.79**	**9,209.88**

Notes:

As per Approval under Section 205A(3) of the Companies Act, 1956 , received from Government of India, Ministry of Corporate Affairs vide Approval No. 10/1/2010-CL-VI dated 5-3-2010, the Company during Financial Year 2009-10 transferred a sum of Rs. 5615.61 Million to Profit & Loss Account from General Reserves to declare and make payment of Special Interim Dividend @ 1,000 % (i.e. Rs. 100/- per share having face value of Rs. 10/- each) to its shareholders.

ANNEXURE XVIII – STATEMENT OF CONSOLIDATED CONTINGENT LIABILITIES

(In Rs. Million)

PARTICULARS	AS AT 31 MARCH				
	2010	2009	2008	2007	2006
Commercial Claims against the Company not acknowledged as debt :					
Commercial claims pending in the Courts or Lying with Arbitrators	707.57	17.23	72.04	59.79	30.21
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for :	558.96	28.84	35.29	28.53	19.60
Income Tax	29.05	33.23	52.76	60.46	60.03
Service Tax	57.64	7.04	0.60	0.82	-
Guarantees Issued by the banks and outstanding	4,184.85	5,251.35	4,963.03	4,881.11	3,043.76
Letter of Credit	1,300.58	522.15	73.34	4.36	4.35
Custom Duty Liability	-	-	-	196.70	-
Total	**6,838.65**	**5,859.84**	**5,197.06**	**5,231.77**	**3,157.95**

ANNEXURE XIX – CONSOLIDATED STATEMENT OF SEGMENT WISE REVENUES, RESULTS AND CAPITAL EMPLOYED

(in Rs. Million)

PARTICULARS	FOR YEAR ENDED 31 MARCH				
	2010	2009	2008	2007	2006
Segment Revenue					
Consultancy & Engineering Projects	10,755.21	8,441.51	6,372.02	4,992.76	4,393.46
Lumpsum Turnkey Projects	9,384.66	7,079.09	1,163.12	823.28	3,648.68
Total	**20,139.87**	**15,520.60**	**7,535.14**	**5,816.04**	**8,042.14**
Segment Profit					
Consultancy & Engineering Projects	4,356.97	3,117.85	2,154.98	1,578.55	1,361.48
Lumpsum Turnkey Projects	920.08	310.02	144.42	68.94	525.57
Total (A)	**5,277.05**	**3,427.87**	**2,299.40**	**1,647.49**	**1,887.05**
Provision for exceptional items	-	-	299.17	323.25	-
Interest	12.91	2.48	0.27	0.74	8.76
Other un-allocable expenditure	384.76	321.70	309.36	302.89	290.56
Total (B)	**397.67**	**324.18**	**608.80**	**626.88**	**299.32**
Other Income (C)	1,829.70	2,215.47	1,341.20	1,060.43	719.33
Profit Before Tax (A-B+C)	6,709.08	5,319.16	3,031.80	2,081.04	2,307.06
Capital Employed *	**11,542.17**	**14,065.82**	**11,788.23**	**10,540.35**	**9,771.44**

*Fixed assets used in the company's business or liabilities contracted have not been identified to any of the reportable segments, as the fixed assets and support services are used interchangeably between segments. Accordingly, no disclosure relating to total segment assets and liabilities has been made.

ANNEXURE XX – STATEMENT OF CONSOLIDATED SALARIES AND BENEFITS

(In Rs. Million)

PARTICULARS	FOR YEAR ENDED 31 MARCH				
	2010	2009	2008	2007	2006
Salaries and Benefits	3,815.19	2,544.82	2,766.88	2,033.48	1,551.72
Contribution Towards Employees Pension and Provident Fund and Admin Charges thereof	247.16	202.83	211.60	146.74	127.09
Contribution Towards Employees Defined Contributory Superannuation Scheme	451.67	-	-	-	-
Staff Welfare	313.72	448.68	335.56	316.23	333.76
Contribution to Gratuity Fund	84.17	706.72	37.32	22.95	63.34
Less: Contribution Received from Others	(0.54)	(0.40)	(0.23)	(1.09)	(0.06)
Sitting Fees to Independent Directors	0.29	0.24	0.10	-	-
TOTAL	**4,911.66**	**3,902.89**	**3,351.23**	**2,518.31**	**2,075.85**

ANNEXURE XXI – CONSOLIDATED STATEMENT OF FACILITIES

(In Rs. Million)

PARTICULARS	FOR YEAR ENDED 31 MARCH				
	2010	2009	2008	2007	2006
Office Rent	27.69	20.84	20.07	48.12	35.88
Residential Accommodation (Net)	39.38	50.03	47.14	57.07	77.48
Light, Water and Power	68.84	59.56	62.62	54.81	60.39
Insurance	8.98	12.56	6.51	45.96	50.86
Misc Repair and Maintenance	151.52	128.45	89.59	92.17	68.8
Hire Charge for Office Equipment	5.27	4.80	2.47	5.64	4.39
TOTAL	**301.68**	**276.24**	**228.40**	**303.77**	**297.80**

ANNEXURE XXII – CONSOLIDATED STATEMENT OF CORPORATE COSTS

(In Rs. Million)

PARTICULARS	FOR YEAR ENDED 31 MARCH				
	2010	2009	2008	2007	2006
BANK CHARGES	20.86	19.14	15.49	18.81	14.88
INTEREST	12.91	2.48	0.27	0.74	8.77
ADVERTISEMENT FOR TENDER & RECRUITMENT	92.76	52.47	25.37	22.04	65.10
PUBLICITY	3.65	4.36	5.10	6.64	6.63
SUBSCRIPTION	7.72	7.20	5.45	6.53	6.80
ENTERTAINMENT	18.59	16.01	14.24	12.09	6.14

PARTICULARS	FOR YEAR ENDED 31 MARCH				
	2010	2009	2008	2007	2006
FOREIGN EXCHANGE DIFFERENCE (NET)	0.00	39.11	0.00	6.73	0.00
REMUNERATION TO AUDITORS	1.17	1.06	0.65	0.63	0.61
FILING FEE	0.31	0.17	0.13	0.12	0.20
LEGAL & PROFESSIONAL CHARGES	39.97	54.37	12.94	18.36	15.71
LICENCES & TAXES	9.67	9.89	9.95	8.95	20.92
LOSS ON SALE OF ASSETS	0.38	1.58	0.90	0.04	0.24
TOTAL	**207.99**	**207.84**	**90.49**	**101.68**	**146.00**

ANNEXURE XXIII –STATEMENT OF CONSOLIDATED OTHER COSTS

(In Rs. Million)

PARTICULARS	FOR YEAR ENDED 31 MARCH				
	2010	2009	2008	2007	2006
CONSUMABLES STORES	0.23	0.08	0.31	1.20	0.01
TRAVEL & CONVEYANCE	490.70	448.46	383.11	417.77	338.66
PRINTING, STATIONERY & OFFICE SUPPLY	41.80	36.12	32.67	29.62	30.87
NEWSPAPER AND PERIODICALS	4.51	3.75	3.05	2.97	1.88
PRELIMINARY/ INCORPORATION EXPENSES WRITTEN OFF	-	1.08	-	-	-
POSTAGE & TELECOMMUNICATION	49.90	45.13	35.17	37.56	28.74
COURIER, TRANSPORTATION & HANDLING	9.90	10.50	8.97	10.18	9.86
COMMISSION TO FOREIGN AGENTS	9.49	23.55	16.30	19.54	17.50
MISCELLANEOUS EXPENSES	12.59	7.12	5.38	5.12	6.25
PROVISION FOR DOUBTFUL DEBTS & ADVANCES (NET)	14.55	(9.72)	(35.48)	(65.72)	129.33
PROVISION FOR FORESEEABLE LOSSES	-	(3.06)	0.10	(6.12)	(122.78)

PARTICULARS	FOR YEAR ENDED 31 MARCH				
	2010	2009	2008	2007	2006
(NET)					
PROVISION FOR CONTRACTUAL OBLIGATIONS	475.76	469.78	371.51	248.87	235.33
BAD DEBT WRITTEN OFF	-	-	3.44	22.23	0.27
CUSTOM DUTY (INCLUDING INTEREST)	-	-	299.16	323.26	-
TRAINING EXPENSES	18.69	21.25	14.97	5.06	4.74
LESS : EXPENDITURE RELATING TO CAPITAL WORKS	0.13	0.06	0.08	0.11	0.27
TOTAL	**1,127.99**	**1,053.98**	**1,138.58**	**1,051.43**	**680.39**

ANNEXURE XXIV – STATEMENT OF CONSOLIDATED DEPRECIATION AND FIXED ASSET WRITTEN OFF

(In Rs. Million)

PARTICULARS	FOR YEAR ENDED 31 MARCH				
	2010	2009	2008	2007	2006
Depreciation	130.99	109.14	104.45	83.23	95.39
Fixed Assets Written Off	0.72	0.32	1.10	0.03	-
TOTAL	**131.71**	**109.46**	**105.55**	**83.26**	**95.39**

FINANCIAL STATEMENTS

ENGINEERS INDIA LIMITED - UNCONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED AND UNCONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED, FOR THE YEARS ENDED MARCH 31, 2010, 2009, 2008, 2007 AND 2006.

Auditors' report as required by Part II of Schedule II of the Companies Act, 1956

The Board of Directors
Engineers India Limited
Engineers India Bhawan
1, Bhikaji Cama Place
New Delhi 110 066
India

Dear Sirs,

We have examined the restated financial information of Engineers India Limited ("the Company") described below in A and B and annexed to this report, stamped and initialed by us for identification, which has been prepared in accordance with the requirements of Part II of Schedule II to the Companies Act, 1956 ("the Act"), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI-ICDR Regulations") and terms of engagement agreed upon with you in connection with the Proposed Offer for Sale of Equity Shares of "the Company" by the President of India ("the Offer").

The financial information relating to "the Company" are proposed to be included in the Offer Document of "the Company" in connection with the proposed "offer" and have been approved by the Board of Directors.

These restated financial information have been extracted from audited financial statements of the Company as at and for the year ended 31st March, 2010 which have been approved/adopted by the Board of Directors and as at and for the years ended March 31, 2009, March 31, 2008, March 31, 2007 and March 31, 2006 which have been approved/adopted by the Board of Directors/Members for the respective years. Audits of the financial statements as at and for the years ended March 31, 2007 and March 31, 2006 were conducted by M/s V.K. Dhingra & Co., Chartered Accountants (firm Registration No. 000250N) and signed by their partners Shri Sanjay Jindal (Membership No. 087085) and Shri V.K. Dhingra (Membership No. 014467) respectively, being the auditors of the Company for the aforesaid years, and accordingly reliance has been placed on the financial statements audited and reported upon by them for the aforesaid years.

A. Financial Information as restated on the basis of Audited Financial Statements:
We have examined:

a) the attached restated Statement of Assets and Liabilities as at March 31, 2010, March 31, 2009, March 31, 2008, March 31, 2007 and March 31, 2006 (Annexure-I);
b) the attached restated Statement of Profits and Losses for the years ended March 31, 2010, March 31, 2009, March 31 2008, March 31, 2007 and March 31, 2006 (Annexure-ll);
c) the attached restated Statement of Cash Flows for the years ended March 31, 2010, March 31, 2009, March 31, 2008, March 31, 2007 and March 31, 2006 (Annexure-III);

together referred to as the "Restated Summary Statements".

The "Restated Summary Statements" for the above periods were examined to the extent practicable, for the purpose of audit of financial information in accordance with the Auditing and Assurance Standards issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform our

audit to obtain reasonable assurance, whether the financial information under examination is free of material misstatement.
Based on the above, we report that in our opinion and according to the information and explanations given to us, we have found the same to be correct and the same have been accordingly used in the Restated Summary Statements appropriately.

We further report that

1. The "Restated Summary Statements" have been made after making such adjustments and regroupings as in our opinion are appropriate and are subject to the notes to accounts attached to and forming part of the "Restated Summary Statements" as Annexure-lV of this report.

2. The impact of changes in accounting policies adopted by the Company as at the year ended March 31, 2010 have been adjusted with retrospective effect in the attached "Restated Summary Statements",

3. The "Restated Summary Statements" of the Company have been prepared after incorporating adjustments for the material amounts in the respective financial years to which they relate.

4. There are no qualifications in the auditor's reports which remain to be adjusted in the "Restated Summary Statements", which is to be read with Significant Accounting Policies and Significant Notes to Accounts.

5. There, are no extra-ordinary items in any of the financial statements that need to be disclosed separately in the "Restated Summary Statements".

B. Other Financial Information: -

We have also examined the following other financial information relating to the Company, prepared by the Management and approved by the Board of Directors for the purpose of inclusion herein:

a) Statement of Accounting Ratios (Annexure-V)
b) Statement of Capitalization (Annexure-VI)
c) Statement of Tax Shelters (Annexure-VII)
d) Statement of Dividend Declared (Annexure-VIII)
e) Statement of Changes in Share Capital (Annexure- IX)
f) Statement of Other Income (Annexure-X)
g) Statement of Secured Loans and Unsecured Loans (Annexure-XI)
h) Statement of Investments (Annexure XII)
i) Statement of Sundry Debtors (Annexure-XIII)
j) Statement of Loans and Advances Given (Annexure-XIV)
k) Statement of Current Liabilities & Provisions (Annexure XV)
l) Statement of Related Party Transactions (Annexure-XVI)
m) Statement of Reserves & Surplus (Annexure XVII)
n) Statement of Contingent Liabilities (Annexure XVIII)
o) Statement of segment wise Revenue, Results & Capital Employed (Annexure-XIX)
p) Statement of Salary & Benefits (Annexure XX)
q) Statement of Facilities (Annexure XXI)
r) Statement of Corporate Cost (Annexure XXII)
s) Statement of Other Cost (Annexure XXIII)
t) Statement of Depreciation & Fixed Asset Written Off (Annexure XXIV)

In our opinion, the financial information and other financial information of the Company as attached to this report, as mentioned in paragraphs (A) and (B) above, read with significant accounting policies and notes to accounts (Annexure - IV), and after making such adjustments as were considered appropriate, have been prepared in accordance with, Part II of Schedule II of the Act and "the SEBI-ICDR Regulations", as amended from time to time. Our work has been carried out in accordance with the auditing standards generally accepted in India and as per the Guidance Note on Reports in Company Prospectuses (Revised) issued by The Institute of Chartered Accountants of India.

This report should not in any way be construed as a reissuance or redating of the previous audit report by the other firms of Chartered Accountants nor should this be construed as a new opinion on any of the financial statements referred to herein.

We did not perform audit tests for the purposes of expressing an opinion on individual balances of summaries of selected transactions, and accordingly, we express no such opinion thereon.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

This report is intended solely for your information and for inclusion in the offer documents in connection with the proposed "offer" of equity shares of 'the Company' and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Jagdish Chand & Co.
Chartered Accountants

(Praveen Kumar Jain)
Partner
M. No. 085629
Firm Registration No. 000129N

Place: New Delhi
Dated: 9th July, 2010

ANNEXURE I – RESTATED STATEMENT OF ASSETS AND LIABILITIES

(In Rs. Million)

PARTICULARS	AS AT 31 MARCH				
	2010	**2009**	**2008**	**2007**	**2006**
1. FIXED ASSETS :					
i) Gross block	1,824.12	1,670.66	1,581.30	1,447.14	1,376.37
Less : Accumulated depreciation	1,223.64	1,123.08	1,113.20	1,064.43	989.73
Net block	600.48	547.58	468.10	382.71	386.64
ii) Capital work-in-progress	118.46	85.23	48.31	66.62	42.44
Net block, including capital work-in-progress	**718.94**	**632.81**	**516.41**	**449.33**	**429.08**
2. INVESTMENTS	**1,007.26**	**1,536.96**	**1,468.08**	**1,373.60**	**1,382.81**
3. DEFERRED TAX ASSETS (NET)	**1,415.20**	**1,185.83**	**969.28**	**854.22**	**565.07**
4. CURRENT ASSETS, LOANS AND ADVANCES :					
a) Inventories	9.72	8.47	8.39	8.52	8.29
b) Work-in-progress	422.16	325.21	310.89	152.03	142.36
c) Sundry debtors	3,167.42	2,992.84	1,765.47	1,990.47	2,401.18
d) Cash and bank balances	17,639.69	18,941.62	12,525.80	9,414.22	7,498.29
e) Other current assets	2,109.52	2,040.94	1,803.76	1,576.29	1,951.58
f) Loans and advances	1,845.25	2,151.88	1,773.88	1,130.28	1,349.97
Total	**25,193.76**	**26,460.96**	**18,188.19**	**14,271.81**	**13,351.67**
5. CURRENT LIABILITIES AND PROVISIONS :					
a) Current Liabilities	14,004.08	12,923.60	7,973.44	5,220.58	3,743.71
b) Provisions	3,184.02	3,179.35	1,671.91	1,454.28	2,525.18
Total	**17,188.10**	**16,102.95**	**9,645.35**	**6,674.86**	**6,268.89**
NET ASSETS (1+2+3+4-5)	**11,147.06**	**13,713.61**	**11,496.61**	**10,274.10**	**9,459.74**
6. EQUITY SHARE CAPITAL	**561.56**	**561.56**	**561.56**	**561.56**	**561.56**
7. RESERVES AND SURPLUS	**10,585.50**	**13,153.92**	**10,939.05**	**9,719.43**	**8,968.36**
8. MISC. EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF)	**-**	**1.87**	**4.00**	**6.89**	**70.18**
NET WORTH (6+7-8)	**11,147.06**	**13,713.61**	**11,496.61**	**10,274.10**	**9,459.74**

Notes:

There are no Revaluation Reserves/ Revaluations carried out and as such no adjustment is required.
The previous year's figures have been regrouped/ rearranged/ recasted wherever necessary.
The accompanying accounting policies and notes are an integral part of these statements.
The Reserves & Surplus include Rs. 20 Million Received as Capital Grant from Oil and Industry Development Board for R&D Centre.

ANNEXURE II – RESTATED STATEMENT OF PROFIT AND LOSS

(In Rs. Million)

PARTICULARS	FOR THE YEAR ENDED 31 MARCH				
	2010	2009	2008	2007	2006
INCOME					
- Consultancy & engineering	10,553.31	8,237.47	6,214.40	4,875.57	4,260.22
- Lumpsum Turnkey Projects	9,384.66	7,079.09	1,163.12	823.28	3,648.68
Other Income	1,836.71	2,215.39	1,355.74	1,078.51	731.48
TOTAL	**21,774.68**	**17,531.95**	**8,733.26**	**6,777.36**	**8,640.38**
EXPENDITURE					
Technical Assistance/Sub-Contracts	3,002.47	1,890.86	552.16	402.15	2,289.97
Construction Materials & Equipments	5,560.99	4,962.41	368.16	326.17	865.33
Salaries and Benefits	4,869.01	3,869.25	3,322.22	2,502.54	2,058.67
Facilities	296.96	272.28	226.89	302.68	295.81
Corporate Costs	205.94	208.13	89.62	101.56	145.02
Others	1,096.77	1,023.88	1,106.85	1,028.04	662.20
Depreciation & Fixed Assets Written Off	129.77	107.62	104.60	82.56	94.72
TOTAL	**15,161.91**	**12,334.43**	**5,770.50**	**4,745.70**	**6,411.72**
Profit For The Year	**6,612.77**	**5,197.52**	**2,962.76**	**2,031.66**	**2,228.66**
Less: Provision for Taxation					
Current Year					
Current Tax	2,448.50	1,958.05	1,080.39	923.93	817.48
Fringe Benefit Tax	-	28.67	27.02	27.50	25.50
Deferred Tax	-229.36	-216.54	-104.79	-289.16	-114.21
Total Provision For Taxation	**2,219.14**	**1,770.18**	**1,002.62**	**662.27**	**728.77**
Profit After Tax	**4,393.63**	**3,427.34**	**1,960.14**	**1,369.39**	**1,499.89**
Transferred from General Reserve	5,615.61	-	-	-	-
Total Available for Appropriation	**10,009.24**	**3,427.34**	**1,960.14**	**1,369.39**	**1,499.89**
APPROPRIATIONS					
Dividend					
- Interim	5,952.54	252.70	224.62	196.55	168.47
- Proposed	-	786.19	393.09	336.94	280.78
Total Dividend	**5,952.54**	**1,038.89**	**617.71**	**533.49**	**449.25**
Corporate Tax on Dividend					
- Interim	1,009.51	42.95	38.18	27.57	23.63
- Proposed	-	130.63	64.68	57.26	39.37
Total Tax on Dividend	**1,009.51**	**173.58**	**102.86**	**84.83**	**63.00**
Balance transferred to General Reserve	**3,047.19**	**2,214.87**	**1,239.57**	**751.07**	**987.64**

Notes:

The accompanying accounting policies and notes are an integral part of these statements.
The previous year's figures have been regrouped/ rearranged/ recasted wherever necessary.
There are no Extraordinary items.
In terms of approval from Government of India, Ministry of Corporate Affairs an amount of Rs. 5615.61 Million was transferred during the year 2009-10 from General Reserve to make payment of Special Interim Dividend @1000%.

ANNEXURE III – RESTATED STATEMENT OF CASH FLOWS

(In Rs. Million)

PARTICULARS	FOR THE YEAR ENDED 31 MARCH				
	2010	2009	2008	2007	2006
A. CASH FLOW FROM OPERATING ACTIVITIES					
Net profit Before Tax	6,612.77	5,197.52	2,962.76	2,031.66	2,228.66
Adjustment For :					
Depreciation	129.05	107.30	103.50	82.53	94.72
Fixed Assets Written Off	0.72	0.32	1.10	0.03	-
Deferred Revenue Expenditure (VRS)	1.87	2.13	2.89	63.29	100.43
(Profit)/Loss On Sale of Fixed Assets	0.16	1.36	0.13	(2.44)	(10.41)
Other Income					
Interest on Deposits/Advances To Employees/UTI Bonds ETC.	(1,507.86)	(1,453.18)	(1,120.30)	(706.39)	(595.45)
Share of Profit On Trade Investment	(0.20)	(14.33)	(7.22)	(9.54)	(10.29)
Capital Gain on Sale of Current Investment	(169.82)	-	-	-	-
Dividend Income	(57.83)	(44.19)	(31.23)	(30.00)	(20.00)
Operating Profit before Working Capital Changes	**5,008.86**	**3,796.93**	**1,911.63**	**1,429.14**	**1,787.66**
Adjustment For :					
Sundry Debtors	(174.58)	(1,227.37)	225.00	410.71	993.79
Inventories	(1.25)	(0.08)	0.13	(0.23)	0.10
Loans & Advances /Other Current Assets	103.97	(573.04)	(556.91)	702.76	794.76
Work-In Progress	(96.95)	(14.32)	(158.86)	(9.66)	21.79
Current Liabilities and Provisions	1,047.61	5,997.61	2,877.59	350.94	(1,485.30)
Cash Generated From Operations	5,887.66	7,979.73	4,298.58	2,883.66	2,112.80
Taxes Paid	2,332.42	2,111.77	1,215.23	981.23	735.62
Net Cash Flow From Operating Activities - A	**3,555.24**	**5,867.96**	**3,083.35**	**1,902.43**	**1,377.18**
B. CASH FLOW FROM INVESTING ACTIVITIES					
Purchased of Fixed Assets (Net of Adjustment)	(183.68)	(189.50)	(192.61)	(78.74)	(77.66)
Capital Work in Progress	(33.23)	(36.92)	18.31	(24.18)	(33.48)
Sale of Fixed Assets	0.85	1.85	2.23	2.97	11.68
Interest on Deposits/ Advances to Employees/ UTI Bonds etc	1,525.85	1,536.22	913.34	608.97	579.46
SHARE OF PROFIT ON TRADE INVESTMENT	0.20	14.33	7.22	9.54	10.30
DIVIDEND INCOME	57.83	44.19	31.23	30.00	20.00
CAPITAL GAIN ON SALE OF CURRENT INVESTMENT	169.82	-	-	-	-
INVESTMENT IN JOINT VENTURE	(10.30)	(19.77)	-	-	-
INVESTMENT (OTHERS)	540.00	(49.11)	(94.49)	9.21	(10.30)
Net Cash Flow From Investing Activities - B	**2,067.34**	**1,301.29**	**685.23**	**557.77**	**500.00**
C. CASH FLOW FROM FINANCING ACTIVITIES					
Dividend Payment (Including Dividend Tax)	(916.82)	(457.78)	(394.20)	(320.16)	(480.24)
Interim Dividend Payment (Including Dividend Tax)	(6,007.69)	(295.65)	(262.80)	(224.11)	(192.10)
Net Cash Flow From Financing Activities - C	**(6,924.51)**	**(753.43)**	**(657.00)**	**(544.27)**	**(672.34)**
Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	**(1,301.93)**	**6,415.82**	**3,111.58**	**1,915.93**	**1,204.84**
Cash & Cash Equivalents at the Beginning of the Year	18,941.62	12,525.80	9,414.22	7,498.29	6,293.45
Cash & Cash Equivalents at the Close of the Year	**17,639.69**	**18,941.62**	**12,525.80**	**9,414.22**	**7,498.29**
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(1301.93)**	**6415.82**	**3111.58**	**1915.93**	**1204.84**

Notes:

Cash and cash equivalents consist of cash in hand and bank balances.
The previous year's figures have been regrouped/ rearranged/ recasted wherever necessary.
The accompanying accounting policies and notes are an integral part of these statements.

ANNEXURE IV - SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS, AS RESTATED:

A) Significant Accounting Policies :

1. ACCOUNTING CONCEPTS

The accounts are prepared on historical cost concept based on accrual method of accounting as a going concern, and consistent with generally accepted accounting principles in accordance with the mandatory accounting standards and disclosure requirements as per the provisions of the Companies Act, 1956.

2. INCOME RECOGNITION

i. Income from services rendered is accounted for:

- In the case of cost plus jobs, on the basis of amount billable under the contracts;
- In the case of lumpsum services and lumpsum Turnkey contracts, as proportion of actual direct costs of the work to latest estimated total direct cost of the work; and
- In the case of contracts providing for a percentage fee on equipment/project cost, on the basis of physical progress duly certified.

ii. Other claims including interest on outstandings are accounted for when there is virtual certainty of ultimate collection.

3. TURNOVER/WORK-IN-PROGRESS

iii. No income has been taken into account on jobs for which:

- The terms of remuneration receivable by the Company have not been settled and/or scope of work has not been clearly defined and, therefore, it is not possible in the absence of settled terms to determine whether there is a profit or loss on such jobs. However, in cases where minimum undisputed terms have been agreed to by the clients, income has been accounted for on the basis of such undisputed terms though the final terms are still to be settled.
- The terms have been agreed to at lumpsum services / lumpsum turnkey contracts and physical progress is less than 25%.

iv. The Cost of such jobs as stated in 'A' above is carried forward as work-in-progress at actual direct cost.

4. FIXED ASSETS

v. Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses.

vi. The cost of any software purchased initially along with the computer hardware is being capitalised along with the cost of the hardware. Any subsequent acquisition / upgradation of software is being capitalized as an asset.

vii. Whenever any new office space is acquired and partitions/fixtures and fittings are provided to make it suitable for use, the expenditure on the same is capitalised and depreciation charged as per Para 5 (a) below. All expenditure on subsequent modifications and repairs of partitions/fixtures and fittings are charged to revenue in the year it is incurred.

5. DEPRECIATION

viii. Depreciation on fixed assets is charged on straight line method either on the basis of rates arrived at with reference to the useful life of the assets evaluated by the Committee consisting of Technical experts and approved by the Management, or the minimum rates prescribed under Schedule XIV of the Companies Act, 1956, whichever is higher.

ix. No depreciation has been provided in the case of land which is on perpetual lease or where no lease deeds have been executed. Premium paid on land where lease agreements have been executed are written off over the period of lease proportionately.

x. The cost of capitalized software is amortized over a period of three years from the date of its acquisition. However, software individually costing upto Rs.0.50 Million is fully amortized during the year of its acquisition.

xi. 100% depreciation is provided on library books in the year of purchase since individual books are low value items.

xii. Assets individually costing less than Rs.5,000 are fully depreciated in the year of acquisition.

6. IMPAIRMENT OF ASSETS

Impairment of cash generating assets are reviewed for impairment whenever an event or changes in circumstances indicate that carrying amount of such assets may not be recoverable. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of assets. If it is found that some of the impairment losses already recognized needs to be reversed the same are recognized in the statement of Profit & Loss Account in the year of reversal.

7. INVENTORIES

Inventories in respect of stores, spares and chemicals etc. are valued at cost or net realisable value which ever is less. Cost is determined on "First In First Out" Basis.

8. PROVISION FOR CONTRACTUAL OBLIGATIONS

The provision for estimated liabilities on account of guarantees & warranties etc. in respect of lumpsum services and lumpsum turnkey contracts awarded to the Company are being made on the basis of assessment of risk and consequential probable liabilities on each such job made by the management.

9. FOREIGN CURRENCY TRANSACTIONS

i. Fixed assets are incorporated at the rates in force when transaction takes place.

ii. Current Assets and Current Liabilities including Cash and Bank balances are carried at the year end exchange rates. Any gain or loss on account of exchange difference is charged to the Profit & Loss Account.

iii. Foreign currency transactions (Income & Expenditure) are accounted for at average monthly rates based on market rates for preceding month in respect of Pound Sterling, US Dollars, Euro, Australian Dollar, Canadian Dollar, Swiss Franc & Japanese Yen and in respect of other currencies at Government rates prevailing in the month. Payments to sub-contractors/vendors from Foreign Currency (FCN) account are recorded at bank rate prevailing on the date of transaction.

10. RESEARCH AND DEVELOPMENT EXPENDITURE/GOVERNMENT GRANT

i. Revenue expenditure on Research and Development is charged to Profit and Loss Account in the year the expenditure is incurred. Capital Expenditure on Research and Development is capitalized under respective fixed assets.

ii. Government grant of capital nature for promotion and setting up of R&D Centre is treated as Capital Reserve and shown separately under Reserves and Surplus.

iii. Funds received from Government Agencies to carry out Research and Development activities are shown under the Head 'other income' as adjustment against expenditure incurred. Unutilised funds are shown under other liabilities.

11. RETIREMENT / OTHER LONG TERM EMPLOYEE BENEFITS

i. Liability in respect of Gratuity, a defined benefit plan, is being paid to a fund maintained by LIC and administered through a separate irrevocable trust set up by the company. Difference between the fund balance and accrued liability at the end of the year based on actuarial valuation is charged to Profit & Loss Account.

ii. Liability towards carried forward leave and post retirement medical benefits, being defined benefit plans, is paid to a fund maintained by LIC and difference between the fund balance and accrued liability at the end of the year based on actuarial valuation is charged to Profit & Loss Account.
iii. Contributions with respect to Provident Fund, a defined contribution plan, are made to the trust set-up by the Company for the purpose.
iv. Contribution with respect to Superannuation Scheme, a defined contribution plan for employees is paid to a fund maintained by the Life Insurance Corporation of India and administered through separate irrevocable trust set up by the Company.
v. Liability in respect of other long term/terminal employee benefits, being defined benefit plans, is recognized on the basis of actuarial valuation.
vi. Voluntary retirement expenses are amortised over a period of five years or over a period till 31^{st} March, 2010, whichever is shorter.

12. Expenses/Income booked to Profit and Loss Account are after adjustment of excess/short provisions. However, in cases of specific provisions where no expenses/income has been incurred/received against such provisions, the same are adjusted as excess provisions of previous years written back/Miscellaneous income.

13. Dividend on Units/Shares is accounted for on declaration made upto the close of the accounting year. Income distributed/undistributed surplus on investment in an AOP is recognised as income as per intimation received.

14. **TAXES ON INCOME**

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Asset is recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred assets can be realised.

15. **INVESTMENT**

i. Long-term investments are carried at cost. However, when there is a decline, other than temporary, in the value of a long-term investment, the carrying amount is reduced to recognise the decline.
ii. Current Investments are carried at the lower of cost or market value.

B) Major Changes in accounting policies during the Years ended March 31, 2006 to March 31, 2010:

1. Year ended March 31, 2006

As per AS-15 " Accounting for Retirement Benefits in the Financial Statements of Employers" issued by the Institute of Chartered Accountants of India, liability for Post Retirement Health Scheme has been made on basis of actuarial valuation for existing as well as retired employees as against earlier Policy of providing Liability for existing employees only.

2. Year ended March 31, 2008

Liabilities in respect of other long term / terminal benefits, being defined benefit plans has been recognized on the basis of actuarial valuation as against earlier policy of charging the expenditure on availing the facility.

C) Impact of Changes in accounting policies, material adjustments, prior period items and extraordinary items

(In Rs. Million)

PARTICULARS	FOR YEAR ENDED 31 MARCH				
	2010	2009	2008	2007	2006
Profit After Tax as per Audited Accounts	**4,355.75**	**3,445.33**	**1,945.99**	**1,429.94**	**1,386.43**
Adjustment on account of Change in Accounting Policies					
Post Retirement Medical Benefit	-	-	-	-	209.84
Other Long Term Benefits on Retirement	-	-	-	(0.80)	(0.80)
Deferred Tax	-	-	-	-	(70.63)
Total	**-**	**-**	**-**	**(0.80)**	**138.41**
Material Adjustments					
Net Sales/Income from Operations	-	(8.07)	-	(11.96)	4.09
Other Income	-	0.14	0.01	0.65	11.13
Salaries Cost	-	-	-	(0.20)	-
Facilities	-	-	-	-	(12.37)
Corporate Cost	-	(0.05)	-	-	-
Others	-	-	(0.02)	(0.02)	(0.04)
Depreciation	0.01	0.81	(0.27)	0.41	0.46
Deferred Tax	-	-	(4.32)	0.30	(40.08)
Total	**0.01**	**(7.17)**	**(4.60)**	**(10.82)**	**(36.81)**
Prior Period Adjustment (Net)	**7.98**	**0.01**	**24.23**	**(2.81)**	**18.56**
Prior Period Tax Adjustment	**48.70**	**(5.99)**	**4.95**	**(50.28)**	**(10.44)**
Prior Period Deferred Tax Adjustment	**(18.81)**	**(10.10)**	**(13.18)**	**-**	**-**
Income Tax Reallocated	**-**	**(13.55)**	**5.11**	**(8.93)**	**(4.48)**
Deferred Tax Reallocated	**-**	**18.81**	**(2.36)**	**13.09**	**8.22**
Total Impact of Adjustments	**37.88**	**(17.99)**	**14.15**	**(60.55)**	**113.46**
Adjusted Profit After Tax	**4,393.63**	**3,427.34**	**1,960.14**	**1,369.39**	**1,499.89**

D) Notes on Adjustments Carried out :

1. Prior Period Items

i. Certain items of Income/Expenditure/Income Tax/Deferred Tax have been identified as prior period items, which have been shown as adjusted in respective years to which these Income/ Expenditure/ Income Tax/Deferred Tax pertain. Accordingly, Income/Expenditure/Income Tax/Deferred Tax relating to earlier years in Profit & Loss account has been reallocated to respective years.

ii. The Company adopted Accounting Standard 15 (Revised) 'Employee Benefits' from 2007-08. For purpose of restatement, AS-15 (Revised) has not been applied for 2004-05 to 2006-07 as AS-15(Revised) required prospective adjustments only. The cumulative impact upto 31.3.2007 has been adjusted from General Reserve in line with transitional provision of AS-15 (Revised).

2. Changes in Accounting Policies

i. During 2005-06, Company has changed its accounting policy for providing liability for Post Retirement Health Scheme in terms of AS -15 "Accounting for Retirement Benefits in the Financial Statements of Employers" issued by the Institute of Chartered Accountants of India for Retired employees on the basis of actuarial valuation as against charging expenditure on availing of facility. For purpose of restatement, the effect of the same has been adjusted in 2005-06.

ii. During 2007-08, Company has changed its policy to recognize liability for Other Long Term Benefits on Retirement based upon Actuarial Valuation as against charging expenditure on availing of facility. For purpose of restatement, effect of same is adjusted in respective years.

iii. Accounts for 2005-06 to 2009-10 have been restated in accordance with the Guidance Notes issued by the ICAI and other changes adjustment referred above. The effect of changes for the financial year prior to 2005-06 has been adjusted in Reserves & Surplus as on 1st April, 2005.

E) Auditors Comments/ Qualifications and Treatment in Restated Financials

Sr. No.	Financial Year Ended	Auditor's Comments/ Qualifications	Impact on restated results
1	31-03-2006	Non-Confirmation of Sundry Debtors, Creditors & other parties and resultant adjustments. The Consequential impact, thereof, if any, on the accounts remain unascertained.	No impact
		Notes forming part of Accounts for the year ended March 31, 2006 (Schedule J) Accounting Standard – 7 prescribed under Section 211 of the Companies Act, 1956 requires the following disclosures in respect of contracts in progress at the reporting date which have not been made by the Company in its financial statements : a) The aggregate amount of costs incurred and recognized profits (less recongnised losses) up to the reporting date. b) The amount of advances received; and c) The amount of retentions.	Disclosure requirement and hence no restatement is required.
2	31-03-2007	Non-Confirmation of Sundry Debtors, Creditors & other parties and resultant adjustments. The Consequential impact, thereof, if any, on the accounts remain unascertained.	No impact
		A. Comments on Financial Position Balance Sheet Current Assets, Loans & Advances (Schedule 'E') B. Loans & Advances : 1. Provision for Taxation (shown as deducted from Advance Income Tax) This is understated by Rs. 13.60 Million due to non provision for tax on account of provision for Leave Encashment, Productivity Linked Reward and contribution to Provident Fund created on estimated basis due to proposed Pay Revision with effect from 1st January, 2007 as the above expenses are allowed only on payment basis under Section 43B of Income Tax Act. This has also resulted in understatement Deferred Tax Asset by Rs. 13.60 Million.	Adjustment of Impact required only for provision towards Leave Encashment and Provident Fund liability u/s 43B of Income Tax Act, amounting to Rs. 8.80 Million made in restated Accounts
3		B. Comments on Disclosure 2. Significant Account Policies – Schedule I – Retirement Benefits Accounting Policy in respect of treatment of liability towards carried forward leave and post retirement medical benefits has been changed in the financial year 2006-07. From 2006-07 liability towards carried forward leave and post retirement medical benefits is paid to a fund maintained by Life Insurance Corporation of India. Though, this fact is disclosed in the Notes forming part of the account as required under Accounting Standard-I, but the quantification of the same viz. Life Insurance Corporation of India was paid Rs. 988.40 Million and Rs. 419.10 Million for leave encashment and post retirement medical benefits liability respectively has not been disclosed.	Disclosure requirement and hence no restatement is required.

F) Other significant Notes on Accounts for the year ended 31st March, 2010

1.

i. The wage revision in respect of Board Level and below Board Level Executives and non-unionized Supervisors effective 1st January 2007 was implemented during the year. For unionized staff the estimated wage revision liability till March, 2010 has been provided in the books of accounts.

ii. The company during the year implemented Defined Contribution Superannuation Scheme for its employees effective 1st January 2007. The company has formed a separate irrevocable trust to administer the said scheme. The Trust had taken a policy with Life Insurance Corporation of India to which defined contribution under the scheme were made and charged to the profit & loss account.

2.

i. Following depreciation rates are charged in terms of the Accounting Policy for depreciation :

Sr. No.	Particulars	Rate (%age)	Sr. No.	Particulars	Rate (%age)
1.	Land Freehold	Nil	4.	**Plant & Machinery**	
2.	Land Leasehold	1.66		Plant & Machinery	8.0
3.	**Building**			Storage Tank	6.0
	Office Building	2.4	5.	**Furniture & Fixtures, Office & Construction Equipment**	
	R&D Centre, Gurgaon	4.0		Furniture & Fixtures	8.0
	Air-conditioner Plant & Transformer	9.5		Office Equipment	12.0
	AC Central Plant	6.5		Construction Equipment	12.0
	Lifts	6.5	6.	**Computer Software/Hardware**	
	Electric Power Sub Station	8.0		Hardware	16.21
	Tubewell & Pumps	9.5		Software	33.33*
	Fire Alarm System	5.15	7.	Motor Vehicles	13.75
	Fire Fighting System	9.5	8.	Library Books	100.00
	Chilling Plant	8.0			

* *Software individually costing up to Rs. 0.50 Million is fully amortized during the year of its acquisition.*

ii. The capital work in progress comprises outstanding advances paid to acquire the fixed assets and cost of fixed assets that are not yet ready for their intended use at the balance sheet date.

3. There is no impairment of cash generating assets during the year in terms of Accounting Standard (AS-28) “Impairment of Assets”.

4. Provisions no longer required written back under head `Other Income’ represents :

   i. Contractual obligations written back for Rs.12.70 Million (Rs.67.63 Million) in respect of contracts for which obligation under respective contracts is completed.
   ii. Wage revision liability written back for Rs. Nil (Rs. 601.70 Million).

5. As per Approval under Section 205A(3) of the Companies Act, 1956, received from Government of India, Ministry of Corporate Affairs vide Approval No. 10/1/2010-CL-VI dated 05.3.2010, the Company during the year transferred a sum of Rs.5615.61 Million to Profit & Loss Account from General Reserves to declare and make payment of Special Interim Dividend @ 1000% (i.e. Rs.100/- per share having face value of Rs.10/- each) to its Shareholders.

6. Advances under Current Liabilities include adjustment in turnover amounting to Rs.7940.20 Million (Rs.6516.68 Million) in terms of Accounting Policy 2 & 3 for income recognition / turnover.

7. Information regarding imports and foreign exchange earnings, expenditures, etc. (Excluding exchange difference on conversion of foreign currency).

(Rs. In Million)

Sr. No.		2009-10	2008-09
1.	**Expenditure (Disbursement Basis) in Foreign Currency on account of :**		
(i)	Know how and professional fees including sub contracts (others)	270.49	73.03
(ii)	Sub-Contractor/Construction Material LSTK jobs	1,396.96	1,383.99
	Others (foreign travel, living allowance membership fees, agency commission, foreign office expenses)	125.75	201.91
2.			
(i)	Earnings (accrual basis) in foreign exchange on account of professional fees including Rs. 38.63 Million (Rs 26.99 Million) earned in local foreign currencies, which are not repatriable to India against which, an expenditure of Rs.26.71 Million (Rs.23.61 Million) incurred in local foreign currencies.	999.23	1,214.28

Sr. No.		2009-10	2008-09
(ii)	Interest earned in foreign exchange	0.10	0.14

8. In terms of provision of Accounting Standard (AS –7) "Construction Contracts", for Lumpsum / Lumpsum Trunkey Projects for contract in progress as on 31.03.2010 :

   i. The aggregate amount of cost incurred and recognized Profit up to 31.03.2010 Rs. 46,034.53 Million (Rs.31,000.75 Million).
   ii. The amount of advances received Rs.31.93 Million (Rs. 437.76 Million).
   iii. The amount of retention – Rs.0.95 Million (Rs. 4.59 Million)

9. In terms of Accounting Standard 27, "Financial Reporting of Interest in Joint Ventures of the Company", a brief description of joint ventures of the Company is :

   i. TEIL Projects Limited

A joint venture with M/s Tata Projects Limited was formed for pursuing projects on engineering procurement and construction basis (EPC Projects) in selected sectors such as oil & gas, fertilizers, steel, railways, power and infrastructure.

The Joint Venture Company formed in this regard having its Registered Office at New Delhi has an Authorized capital of Rs.150.00 Million & Issued, Subscribed & Paid-up capital of Rs.100.00 Million.

Of the issued, subscribed and paid-up capital, 24,997 equity shares of Rs.10/- each fully paid-up and 49,75,000 equity shares of Rs.10/- each, Rs.3.9698 per share (Rs.1.90 per share) called and paid up amounting to Rs.20 Million (Rs.9.70 Million) are held by the Company, being 50% of paid-up capital of joint venture company.

   ii. Tecnimont EIL Emirates Consultores E Servicos LDA

A joint venture with M/s Tecnimont SPA, Italy was formed for pursuing EPC Projects in UAE. For the purpose, a joint venture company was formed and registered with the Commercial Registry of Maderia Trade Zone, Portugal.

The company has invested Euro 151,620 (equivalent to Indian Rupees 10.06 Million) being 30% quota amounting to 150,000 Euro, out of total quota of 500000 Euro. The 70% quota amounting to 350,000 Euro is invested by other joint venture partner Tecnimont, SPA, Italy.

The Company's share in Assets and Liabilities and Income and Expenditure related to its interest in TEIL Projects Limited, based on audited financial statements for the year ended 31st March 2010 and for Tecnimont EIL Emirates Consultores E Servicos, LDA, based on audited financial statements for the year ended on 31st December 2009 is as under :

(Rs. in Million)

	2009-10	2008-09
Assets	14.94	15.53
Liabilities	1.12	2.01
Income	0.00	0.00
Expenditure	9.95	5.67

10. In terms of AS-15 (Employee Benefits), the Company is having the following Retiral/ Long Term Benefit Plans :

Defined Contribution Plans

   i. Contributory Provident Fund & Employees Pension Scheme, 1995
   ii. Employees Defined Contributory Superannuation Scheme

Defined Benefit Plans

i. Gratuity (Funded)
ii. Leave Encashment (Funded)
iii. Post Retirement Medical Benefits (Funded)
iv. Long Service Awards (Unfunded)
v. Other benefits on Retirement (Unfunded)

11. **EARNING PER SHARE (E. P. S.)**

The shareholders of the company in their extra ordinary general meeting held on 22nd April,2010 approved sub division of equity share of face value of Rs.10/- each into 2 equity shares of the company of face value of Rs.5/- each and issue of Bonus Shares in the ratio of 2 : 1 capitalizing a sum not exceeding Rs.1123.12 Million representing a part of undistributed profit standing to the credit of General Reserve.

Post sub-division and bonus issue, company's share capital consists of 336936600 equity shares of Rs.5/- each.

As per Accounting Standard – 20 on "Earning Per Share" ("AS-20"), Basic and Diluted Earning Per Share has been adjusted for all periods presented, based on the new number of shares i.e. 336936600 equity shares of Rs.5/- each.

	Calculation of E.P.S.	**2009-10**	**2008-09**
A	Net Profit for the year attributable to Equity Shareholders (Rs. in Million)	4,393.63	3,427.34
B	Weighted average number of Equity shares	336,936,600	336,936,600
C	Basic & Diluted Earning per share (A)/(B)	Rs.13.04	Rs.10.17
D	Nominal value per share	Rs. 5	Rs. 5

12. All figures are in Rupees million except otherwise stated and have been rounded off to the second decimal.

ANNEXURE V – STATEMENT OF ACCOUNTING RATIOS

(In Rs. Million)

PARTICULARS	AS AT 31 MARCH				
	2010	2009	2008	2007	2006
Earning Per Share (Rs.)*					
Basic	13.04	10.17	5.82	4.06	4.45
Diluted	13.04	10.17	5.82	4.06	4.45
Return on Net Worth (%)	39.49%	25.03%	17.08%	13.35%	15.89%
Net Assets Value per Share(Rs.)*	33.02	40.64	34.06	30.43	28.02
Total number of shares outstanding at the beginning of the year *	336,936,600	336,936,600	336,936,600	336,936,600	336,936,600
Total number of shares outstanding at the end of the year *	336,936,600	336,936,600	336,936,600	336,936,600	336,936,600
Weighted Average number of Equity Shares used as denominator *					
Basic	336,936,600	336,936,600	336,936,600	336,936,600	336,936,600
Diluted	336,936,600	336,936,600	336,936,600	336,936,600	336,936,600

*The Shareholders of the company in their extra ordinary general meeting held on 22nd April,2010 approved sub division of Equity Share of face value of Rs. 10/- each into 2 equity shares of the company of face value of Rs. 5/- each and issue of Bonus Shares in the ratio of 2 : 1 capitalizing a sum not exceeding Rs. 1123.12 Million representing a part of undistributed profit standing to the credit of General Reserve. Post sub-division and bonus issue, company's share capital consists of 336936600 equity shares of Rs. 5/- each amounting to Rs. 1684.68 Million.

*The above information has been adjusted for all periods, based on new number of shares after sub division of equity share of face value of Rs.10/- each into 2 equity shares of the company of face value of Rs5/- each and issue of Bonus Shares in the ratio of 2 : 1 .

Notes:

The ratios have been calculated as under:

a) Earnings per share (Rs.) = Net profit after tax / Weighted average number of equity shares as at year end
b) Return of Net worth (%) = Net profit after tax / Net worth (excluding revaluation reserve+ Capital Grant received against Fixed Assets)
c) Net asset value (Rs.) = Net worth excluding revaluation reserve + Capital Grant received against Fixed Assets/ Number of equity shares outstanding at the end of the year

ANNEXURE VI – STATEMENT OF CAPITALIZATION

(In Rs. Million)

PARTICULARS	PRE- ISSUE AS AT 31 Mar 2010	POST – ISSUE*
Debt	-	-
Shareholders Funds		
a) Equity Share capital	561.56	1,684.68**
b) Reserves & Surplus	10,585.50	9,462.38**
Total Shareholders Funds	**11,147.06**	**11,147.06**
Less: Miscellaneous Exp. To the extent not written-off	-	-
Net Worth	**11,147.06**	**11,147.06**
Long Term Debt/ Equity	N.A	N.A

Notes:

* There will be no change in the Capitalisation statement post issue as the issue is in connection with the ' Further Public Offering' of equity shares for sale by the President of India.

** The Shareholders of the company in their extra ordinary general meeting held on 22nd April, 2010 approved sub division of Equity Share of face value of Rs. 10/- each into 2 equity shares of the company of face value of Rs. 5/- each and issue of Bonus Shares in the ratio of 2 : 1 capitalizing a sum not exceeding Rs. 1,123.12 Million representing a part of undistributed profit standing to the credit of General Reserve. Post sub-division and bonus issue, company's share capital consists of 336,936,600 equity shares of Rs. 5/- each amounting to Rs. 1684.68 million.

ANNEXURE VII – STATEMENT OF TAX SHELTERS

(In Rs. Million)

PARTICULARS	FOR YEAR ENDED 31 MARCH				
	2010	2009	2008	2007	2006
Restated Profit before Tax (A)	**6,612.77**	**5,197.52**	**2,962.76**	**2,031.66**	**2,228.66**
Tax Rate	33.99%	33.99%	33.99%	33.66%	33.66%
Notional Tax on Restated Profits	2,247.68	1,766.64	1,007.04	683.86	750.17
Adjustments:					
Permanent Differences:					
Interest Income Exempt U/S 10.	-	(14.20)	(85.18)	(85.18)	(85.18)
Dividend Income (Exempt U/S 10).	(57.83)	(44.19)	(14.99)	(30.00)	(20.00)
Share of Income from AOP Exempt U/S 86	(0.20)	(14.33)	(7.22)	(9.54)	(10.30)
Income chargeable as Capital Gains	(169.82)	-	-	-	-
Previous Year Adjustments	-	7.98	-	-	(12.54)
Disallowance U/S 14A read with Rule 8D	4.84	-	-	-	-
Others	5.77	(1.90)	1.09	(1.86)	(6.24)
Total Permanent Difference (B)	**(217.24)**	**(66.64)**	**(106.30)**	**(126.58)**	**(134.26)**
Timing Differences:					
Diff. between Book & Tax Depreciation	(21.75)	(32.97)	(7.90)	11.03	26.03
Expenses Allowable on Cash Basis U/S 43B	317.09	214.80	42.28	737.04	100.11
Provision for Contractual obligations	463.45	462.25	316.72	157.11	205.84
Provision for Doubtful Debts	8.12	(13.02)	(36.06)	(65.46)	129.33
Provision for Foreseeable Losses	-	(3.06)	0.10	(6.12)	(122.78)
Provision for Others	4.71	7.60	6.25	0.82	0.02
Total Timing Difference (C)	**771.62**	**635.60**	**321.39**	**834.42**	**338.55**
Net Adjustment (B)+(C)	**554.38**	**568.96**	**215.09**	**707.84**	**204.29**
Tax Shelter	188.43	193.39	73.11	238.26	68.76
Taxable Income (D)= (A)+(B)+(C)	**7,167.15**	**5,766.48**	**3,177.85**	**2,739.51**	**2,432.95**
Long Term Capital Gains After Indexation Chargeable at 22.66%(E)	**49.55**	**-**	**-**	**-**	**-**
Total Taxable income as per Income Tax Return (F)= (D)+(E)	**7,216.70**	**5,766.48**	**3,177.85**	**2,739.51**	**2,432.95**
Total Tax as per Return	**2,447.34**	**1,960.03**	**1,080.15**	**922.12**	**818.93**

ANNEXURE VIII – STATEMENT OF DIVIDEND DECLARED

(In Rs. Million)

PARTICULARS	FOR THE YEAR ENDED 31 MARCH				
	2010	2009	2008	2007	2006
Equity Share Capital *					
Face Value (Rs.)	10	10	10	10	10
No. of Shares	56,156,100	56,156,100	56,156,100	56,156,100	56,156,100
Rate of Dividend (%)					
Interim **	1060%	45%	40%	35%	30%
Final	-	140%	70%	60%	50%
Amount of Dividend					
Interim	5,952.54	252.70	224.62	196.55	168.47
Final	-	786.19	393.09	336.94	280.78
Corporate Dividend Tax	1,009.51	173.58	102.86	84.83	63.00

Notes:

* The Shareholders of the company in their extra ordinary general meeting held on 22nd April, 2010 approved sub division of Equity Share of face value of Rs. 10/- each into 2 equity shares of the company of face value of Rs. 5/- each and issue of Bonus Shares in the ratio of 2 : 1 capitalizing a sum not exceeding Rs. 1,123.12 Million representing a part of undistributed profit standing to the credit of General Reserve. Post sub-division and bonus issue, company's share capital consists of 336,936,600 equity shares of Rs. 5/- each amounting to Rs. 1,684.68 Million.
** As per Approval under Section 205A(3) of the Companies Act, 1956 , received from Government of India, Ministry of Corporate Affairs vide Approval No. 10/1/2010-CL-VI dated 5-3-2010, the Company during Financial Year 2009-10 transferred a sum of Rs. 5,615.61 Million to Profit & Loss Account from General Reserves to declare and make payment of Special Interim Dividend @ 1000 % (i.e. Rs. 100/- per share having face value of Rs. 10/- each) to its shareholders.

ANNEXURE IX – STATEMENT OF CHANGES IN SHARE CAPITAL

(In Rs. Million)

PARTICULARS	AS AT 31 MARCH				
	2010	2009	2008	2007	2006
Share Capital *					
Authorised Share Capital					
No. of Equity Shares of Rs. 10. each (In Million)	100	100	100	100	100
Amount	**1,000.00**	**1,000.00**	**1,000.00**	**1,000.00**	**1,000.00**
Issued					
No. of Equity Shares (in Million) at the beginning of the Year	**56.20**	**56.20**	**56.20**	**56.20**	**56.20**
Amount	**561.97**	**561.97**	**561.97**	**561.97**	**561.97**
Subscribed & Paid Up					
No. of Equity Shares (in Million) at the beginning of the Year	56.16	56.16	56.16	56.16	56.16
Add: Bonus Issue (in Million)	-	-	-	-	-
Add: Fresh Issue of Equity Shares (in Million)	-	-	-	-	-
No. of Equity Shares (in Million) at the end of the Year	56.16	56.16	56.16	56.16	56.16
Amount	**561.56**	**561.56**	**561.56**	**561.56**	**561.56**

Notes:

* The Shareholders of the company in their extra ordinary general meeting held on 22nd April,2010 approved increase of Authorised Share Capital of 100 Million equity Shares of Rs. 10/- each amounting to Rs. 1,000 Million to 600 Million Equity Shares of Rs. 5 each amounting to Rs. 3,000 Million , sub division of Equity Share of face value of Rs. 10/- each into 2 equity shares of the company of face value of Rs. 5/-

each and issue of Bonus Shares in the ratio of 2 : 1 capitalizing a sum not exceeding Rs. 1,123.12 Million representing a part of undistributed profit standing to the credit of General Reserve.

Post sub-division and bonus issue, company's share capital consists of 336,936,600 equity shares of Rs. 5/- each amounting to Rs. 1,684.68 Million.

ANNEXURE X – DETAILS OF OTHER INCOME

(In Rs. Million)

Particulars	For the Year Ended March 31,					Nature	
	2010	2009	2008	2007	2006	(Recuring /Non Recurring)	Related/ Non Related to Business
INTEREST EARNED (GROSS)							
ON BANK DEPOSITS	1,469.87	1,396.97	997.30	546.00	355.14	Recurring	Related
ON OTHER DEPOSITS	0.11	-	3.46	10.07	5.67	Non-Recurring	Related
ON ADVANCES TO EMPLOYEES	22.92	28.54	28.24	27.14	33.68	Recurring	Related
ON INCOME TAX REFUND	-	0.13	2.01	37.20	8.49	Non-Recurring	Related
OTHERS	14.96	13.35	4.11	0.81	107.28	Non-Recurring	Related
INCOME FROM LONG TERM INVESTMENTS:							
SHARE OF PROFIT FROM AOP (TRADE INVESTMENT)	0.20	14.33	7.22	9.54	10.30	Recurring	Related
INTEREST ON 6.75% TAX FREE US 64 BONDS OF UTI	-	14.20	85.18	85.18	85.18	Recurring	Related
DIVIDEND INCOME FROM SUBSIDIARY COMPANY	30.00	25.00	28.74	30.00	20.00	Recurring	Related
DIVIDEND INCOME FROM CURRENT INVESTMENTS	27.83	19.18	2.49	-	-	Recurring	Related
CAPITAL GAIN ON CURRENT INVESTMENTS	169.82	-	-	-	-	Non-Recurring	Related
PROFIT ON SALE OF ASSETS	0.21	0.22	0.78	2.48	10.64	Non-Recurring	Related
FOREIGN EXCHANGE DIFFERENCE (NET)	44.62	-	15.86	0.00	17.04	Non-Recurring	Related
PROVISIONS NO LONGER REQUIRED WRITTEN BACK	12.70	669.33	114.45	255.14	53.69	Non-Recurring	Related
MISCELLANEOUS INCOME	43.47	34.14	65.90	74.95	24.37	Non-Recurring	Related
TOTAL	**1,836.71**	**2,215.39**	**1,355.74**	**1,078.51**	**731.48**		

ANNEXURE XI – STATEMENT OF SECURED AND UNSECURED LOANS

(In Rs. Million)

PARTICULARS	AS AT 31 MARCH				
	2010	2009	2008	2007	2006
Lender					
N.A.	NIL	NIL	NIL	NIL	NIL

ANNEXURE XII – STATEMENT OF INVESTMENTS

(In Rs. Million)

PARTICULARS	AS AT 31 MARCH				
	2010	2009	2008	2007	2006
LONG TERM INVESTMENTS					
INVESTMENT IN PETROLEUM INDIA INTERNATIONAL	113.23	114.89	103.81	109.35	118.56
INVESTMENT IN 6.75% TAX FREE US 64 BONDS OF RS 100/- EACH OF UTI	-	-	1,261.94	1,261.94	1,261.94
INVESTMENT IN SUBSIDIARY COMPANIES	2.31	2.31	2.31	2.31	2.31
INVESTMENT IN JOINT VENTURE COMPANIES	30.06	19.76	-	-	-
CURRENT INVESTMENTS					
Liquid and Fixed Maturity Plans of Mutual Funds	861.66	1,400.00	100.02	-	-
TOTAL	**1,007.26**	**1,536.96**	**1,468.08**	**1,373.60**	**1,382.81**
Aggregate of quoted investments – Book Value	0	0	1,261.94	1,261.94	1,261.94
Aggregate market value of quoted investments	0	0	1,280.24	1,256.89	1,283.27

ANNEXURE XIII – STATEMENT OF SUNDRY DEBTORS

(In Rs. Million)

PARTICULARS	AS AT 31 MARCH				
	2010	2009	2008	2007	2006
Unsecured					
Outstanding For a Period Exceeding Six Months:					
Considered Good	672.21	482.09	472.91	531.74	662.99
Considered Doubtful	484.02	475.84	488.45	524.87	590.53
Less :Provision for Doubtful Debts	**(484.02)**	**(475.84)**	**(488.45)**	**(524.87)**	**(590.53)**
Other Debts – Considered Good	**2,495.21**	**2,510.75**	**1,292.56**	**1,458.73**	**1,738.19**
Total	**3,167.42**	**2,992.84**	**1,765.47**	**1,990.47**	**2,401.18**

Note:

There is no amount due from Promoters and Directors included in Sundry Debtors

ANNEXURE XIV – STATEMENT OF LOANS AND ADVANCES GIVEN

(In Rs. Million)

PARTICULARS	AS AT 31 MARCH				
	2010	2009	2008	2007	2006
Advances Recoverable in Cash or in Kind or for value to be Received					
Secured	348.13	373.40	419.13	486.53	578.53
Unsecured - Considered Good	1,216.02	1,392.96	1,102.62	331.81	448.71
- Considered Doubtful	0.52	0.52	0.93	0.56	0.36
Less : Provision for Doubtful Advances	**(0.52)**	**(0.52)**	**(0.93)**	**(0.56)**	**(0.36)**
Inter Corporate Deposits (Unsecured Considered Good)	**-**	**-**	**-**	**70.00**	**90.00**
Advance Income Tax (Net of Provision)	**219.74**	**336.37**	**211.65**	**106.77**	**90.33**
Advance Fringe Benefit Tax (Net of Provision)	**2.31**	**1.77**	**1.44**	**(1.50)**	**(5.90)**
Security Deposit					
Unsecured - Considered Good	30.42	18.75	10.41	108.04	119.43
- Considered Doubtful	0.03	0.03	0.03	0.03	0.03

PARTICULARS	AS AT 31 MARCH				
	2010	2009	2008	2007	2006
Less : Provision for Doubtful Deposit	**(0.03)**	**(0.03)**	**(0.03)**	**(0.03)**	**(0.03)**
Claims Receivable	**28.63**	**28.63**	**28.63**	**28.63**	**28.87**
Total	**1,845.25**	**2,151.88**	**1,773.88**	**1,130.28**	**1,349.97**
Due from Directors	0	1.43	1.23	0.29	0.23
Due from Promoters	0	0	0	0	0

ANNEXURE XV – STATEMENT OF CURRENT LIABILITIES AND PROVISIONS

(In Rs. Million)

PARTICULARS	AS AT 31 MARCH				
	2010	2009	2008	2007	2006
A. CURRENT LIABILITIES					
Sundry Creditors	1,926.60	1,639.84	752.73	844.06	1,671.26
Security Deposits	1,401.49	1,039.01	511.26	592.17	634.43
Advances	7,992.66	6,959.33	4,808.80	2,756.47	919.75
Service Tax Payable	251.27	212.58	128.75	109.14	120.28
Unclaimed Dividend	510.42	3.03	2.63	2.37	2.03
Other Liabilities	1,921.64	3,069.81	1,769.27	916.37	395.96
TOTAL	**14,004.08**	**12,923.60**	**7,973.44**	**5,220.58**	**3,743.71**
B. PROVISIONS					
Employees Post Retirement/Long Term Benefits	369.76	865.69	216.41	319.51	1,452.07
Contractual Obligations	1,859.89	1,396.83	994.67	737.61	743.87
Foreseeable Losses			3.06	2.96	9.08
Proposed Dividend	-	786.19	393.09	336.94	280.78
Tax on Dividend	954.37	130.64	64.68	57.26	39.38
TOTAL	**3,184.02**	**3,179.35**	**1,671.91**	**1,454.28**	**2,525.18**

ANNEXURE XVI – STATEMENT OF RELATED PARTY TRANSACTION

PARTICULARS	YEAR ENDED 31 MARCH				
	2010	2009	2008	2007	2006
Key Management Personnel	Mr. A K Purwaha (Chairman & Managing Director w.e.f. 01.10.2009)	Mr. Mukesh Rohatgi (Chairman & Managing Director, holding additional charge of Director (Finance) w.e.f. 04.03.2009)	Mr. Mukesh Rohatgi (Chairman & Managing Director)	Mr. Mukesh Rohatgi (Chairman & Managing Director)	Mr. Mukesh Rohatgi (Chairman & Managing Director w.e.f. 01.10.2005)
	Mr. Mukesh Rohatgi (Chairman & Managing Director upto 30.09.2009)	Mr. L.N. Gupta (Director (Govt. Nominee) w.e.f. 25.06.2008)	Mr. D.S. Chakrabarti (Director)	Mr. D.S. Chakrabarti (Director)	Mr. M.K. Dalal (Chairman & Managing Director upto 30.09.2005)
	Mr. L.N. Gupta (Director (Govt. Nominee))	Mr. Dependra Pathak (Director (Govt. Nominee))	Mr. Dependra Pathak (Director (Govt. Nominee) w.e.f. 12.10.2007)	Mr. P.K. Saha (Director upto 31.12.2006)	Mr. D.S. Chakrabarti (Director)
	Mr. Dependra Pathak (Director (Govt. Nominee))	Mr. M.K. Joshi (Director)	Mr. M.K. Joshi (Director)	Mr. M.K. Joshi (Director)	Mr. P.K. Saha (Director)
	Mr. M.K. Joshi (Director (Technical))	Mr. D.K. Gupta (Director)	Mr. D.K. Gupta (Director)	Mr. R.K. Saxena (Director w.e.f. 01.01.2007)	Mr. M.K. Joshi (Director)
	Mr. D.K. Gupta (Director (Personnel) upto 31.01.2010)	Mr. R.K. Saxena (Director)	Mr. R.K. Saxena (Director)	Mr. R.K. Grover (Director w.e.f. 03.04.2007)	Mr. Nathu Lal (Part-time Director upto 30.04.2005)
	Mr. R.K. Saxena (Director (Commercial))	Mr. R.K. Grover (Director)	Mr. R.K. Grover (Director w.e.f. 03.04.2007)	Mr. Prabh Das (Director (Govt. Nominee)	Mr. Prabh Das (Director (Govt. Nominee)
	Mr. R.K. Grover (Director (Projects))	Mr. D.S. Chakrabarti (Director upto	Mr. Prabh Das (Director upto 05.03.2008)	Mr. P. Mukerji (Director upto 31.03.2007)	Mr. P. Mukerji (Director)

PARTICULARS	YEAR ENDED 31 MARCH				
	2010	**2009**	**2008**	**2007**	**2006**
		04.03.2009)			
	Mr. Ram Singh (Director (Finance) w.e.f. 28.01.2010)	Dr. Avinash Chandra (Director)	Dr. Avinash Chandra (Part-time Director w.e.f. 20.06.2007)	Mr. P.K. Agarwal (Director upto 30.09.2006)	Mr. P.K. Agarwal (Director)
	Dr. Avinash Chandra (Director)	Mr. A.K. Purwar (Director)	Mr. A.K. Purwar (Part-time Director w.e.f. 09.01.2008)	Mr. B.M. Bansal (Part-time Director upto 21.12.2006)	Mr. B.M. Bansal (Part-time Director)
	Mr. A.K. Purwar (Director)	Mr. U.N. Bose (Director)	Mr. U.N. Bose (Part-time Director)	Mr. U.N. Bose (Part-time Director)	Mr. U.N. Bose (Part-time Director w.e.f. 18.01.2006)
	Mr. U.N. Bose (Director)	Mr. B.N. Bankapur (Director)	Mr. B.N. Bankapur (Part-time Director)	Mr. B N. Bankapur (Part-time Director w.e.f. 29.12.2006)	Mr. Talmiz Ahmad (Part-time Director 13.04.2005 to 27.02.2006)
	Mr. B N. Bankapur (Director)		Mr. Ravi Capoor ((Part-time Director upto 05.10.2007)	Mr. Ravi Capoor (Part-time Director) Mr. D.K. Gupta (Director w.e.f. 01.10.2006)	Mr. Ravi Capoor (Part-time Director w.e.f. 27.02.2006)
Wholly Owned Subsidiaries	CERTIFICATION ENGINEERS INTERNATIONAL LIMITED	CERTIFICATION ENGINEERS INTERNATIONAL LIMITED	CERTIFICATION ENGINEERS INTERNATIONAL LIMITED	CERTIFICATION ENGINEERS INTERNATIONAL LIMITED	CERTIFICATION ENGINEERS INTERNATIONAL LIMITED
	EIL ASIA PACIFIC SDN BHD	EIL ASIA PACIFIC SDN BHD	EIL ASIA PACIFIC SDN BHD	EIL ASIA PACIFIC SDN BHD	EIL ASIA PACIFIC SDN BHD
Joint Venture Company	TEIL PROJECTS LTD.	TEIL PROJECTS LTD.			
	TECNIMONT EIL EMIRATES CONSULTORES E SERVICOS, LDA	TECNIMONT EIL EMIRATES CONSULTORES E SERVICOS, LDA			
Consortium of Petroleum Companies				PETROLEUM INDIA INTERNATIONAL	PETROLEUM INDIA INTERNATIONAL
Association of Persons	PETROLEUM INDIA INTERNATIONAL	PETROLEUM INDIA INTERNATIONAL	PETROLEUM INDIA INTERNATIONAL		

(In Rs. Million)

PARTICULARS	FOR THE YEAR ENDED 31 MARCH				
	2010	2009	2008	2007	2006
I. WITH KEY MANAGEMENT PERSONNEL					
Remuneration/ Sitting Fees	17.65	15.97	10.15	8.82	6.17
Rent Paid for Residential accommodation	0.51	1.09	1.11	0.96	0.88
Outstanding Loans, Interest & other Receivables	0.00	1.43	1.23	0.29	0.23
II. WITH WHOLLY OWNED SUBSIDIARIES					
Deputation of Employees & Reimbursement of Expenses (at cost)	0.00	0.00	0.06	1.08	6.03
Dividend	30.00	25.00	28.75	30.00	20.00
Rendering of Services (lump-sum contracts)	29.36	37.13	41.56	43.68	49.28
Outstanding Receivables	4.33	1.79	0.44	5.66	15.05
Services & Facilities Received	11.49	11.41	4.62	2.59	9.47
Outstanding Payable	2.06	0.62	2.94	2.58	4.65
III. WITH JOINT VENTURES					
Deputation of Employees & Reimbursement of Expenses (at cost)	2.35	1.34	0.00	0.00	0.00
Outstanding Receivables	0.66	0.24	0.00	0.00	0.00
Equity Contribution	10.30	19.76	0.00	0.00	0.00
IV. WITH ASSOCIATION OF PERSONS					
Share of Profit	0.20	14.33	7.22	9.54	10.29
Rendering of Services (lump-sum contracts)	0.00	0.00	0.00	0.00	9.48
Outstanding Receivables	2.17	2.17	1.33	1.43	3.31

ANNEXURE XVII – STATEMENT OF RESERVES AND SURPLUS

(In Rs. Million)

PARTICULARS	AS AT 31 MARCH				
	2010	2009	2008	2007	2006
General Reserve	10,473.49	13,041.91	10,827.04	9,607.42	8,856.35
Share Premium Account	92.01	92.01	92.01	92.01	92.01
Capital Reserve	20.00	20.00	20.00	20.00	20.00
Total	**10,585.50**	**13,153.92**	**10,939.05**	**9,719.43**	**8,968.36**

Notes:

As per Approval under Section 205A(3) of the Companies Act, 1956 , received from Government of India, Ministry of Corporate Affairs vide Approval No. 10/1/2010-CL-VI dated 5-3-2010, the Company during Financial Year 2009-10 transferred a sum of Rs. 5615.61 Million to Profit & Loss Account from General Reserves to declare and make payment of Special Interim Dividend @ 1,000 % (i.e. Rs. 100/- per share having face value of Rs. 10/- each) to its shareholders.

ANNEXURE XVIII – STATEMENT OF CONTINGENT LIABILITIES

(In Rs. Million)

PARTICULARS	AS AT 31 MARCH				
	2010	**2009**	**2008**	**2007**	**2006**
Commercial claims against the Company not acknowledged as Debt : pending in the Courts or Lying with Arbitrators	707.57	17.23	72.04	59.79	30.21
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for :	558.95	28.84	35.29	28.53	19.60
Income Tax	28.03	33.12	52.65	60.42	60.03
Service Tax	34.90	7.05	0.60	0.82	-
Guarantees Issued by the banks and outstanding	4,159.59	5,225.31	4,942.31	4,865.42	3,026.41
Letter of Credit	1,300.58	522.15	73.34	4.36	4.35
Uncalled Liability on party paid shares of TEIL Projects Limited, a Joint Venture Company	30.00	40.30	-	-	-
Custom Duty Liability	-	-	-	196.70	-
Total	**6,819.62**	**5,874.00**	**5,176.23**	**5,216.04**	**3,140.60**

ANNEXURE XIX – STATEMENT OF SEGMENT WISE REVENUES, RESULTS AND CAPITAL EMPLOYED

(in Rs. Million)

PARTICULARS	FOR THE YEAR ENDED 31 MARCH				
	2010	**2009**	**2008**	**2007**	**2006**
Segment Revenue					
Consultancy & Engineering Projects	10,553.31	8,237.47	6,214.40	4,875.57	4,260.22
Lumpsum Turnkey Projects	9,384.66	7,079.09	1,163.12	823.28	3,648.68
Total	**19,937.97**	**15,316.56**	**7,377.52**	**5,698.85**	**7,908.90**
Segment Profit					
Consultancy & Engineering Projects	4,242.39	2,991.20	2,071.40	1,511.09	1,270.93
Lumpsum Turnkey Projects	920.08	310.02	144.42	68.94	525.57
Total (A)	**5,162.47**	**3,301.22**	**2,215.82**	**1,580.03**	**1,796.50**
Provision for exceptional items	-	-	299.17	323.25	-
Interest	12.91	2.48	0.27	0.74	8.76
Other un-allocable expenditure	373.50	316.61	309.36	302.89	290.56
Total (B)	**386.41**	**319.09**	**608.80**	**626.88**	**299.32**
Other Income (C)	1,836.71	2,215.39	1,355.74	1,078.51	731.48
Profit Before Tax (A-B+C)	**6,612.77**	**5,197.52**	**2,962.76**	**2,031.66**	**2,228.66**
Capital Employed *	**11,147.06**	**13,715.48**	**11,500.61**	**10,280.99**	**9,529.92**

*Fixed assets used in the company's business or liabilities contracted have not been identified to any of the reportable segments, as the fixed assets and support services are used interchangeably between segments. Accordingly, no disclosure relating to total segment assets and liabilities has been made.

ANNEXURE XX – STATEMENT OF SALARIES AND BENEFITS

(In Rs. Million)

PARTICULARS	FOR THE YEAR ENDED 31 MARCH				
	2010	2009	2008	2007	2006
Salaries and Benefits	3,778.07	2,516.70	2,741.22	2,020.33	1,535.84
Contribution Towards Employees Pension and Provident Fund and Admin Charges thereof	244.66	200.83	210.04	145.71	126.65
Contribution Towards Employees Defined Contributory Superannuation Scheme	451.67	-	-	-	-
Staff Welfare	311.13	447.19	333.92	315.44	332.98
Contribution to Gratuity Fund	83.74	704.69	37.17	22.15	63.26
Less: Contribution Received from Others	(0.54)	(0.40)	(0.23)	(1.09)	(0.06)
Sitting Fees to Independent Directors	0.28	0.24	0.10	-	-
TOTAL	**4,869.01**	**3,869.25**	**3,322.22**	**2,502.54**	**2,058.67**

ANNEXURE XXI – STATEMENT OF FACILITIES

(In Rs. Million)

PARTICULARS	FOR THE YEAR ENDED 31 MARCH				
	2010	2009	2008	2007	2006
Office Rent	26.84	19.74	20.07	48.06	35.59
Residential Accommodation (Net)	38.65	49.88	46.4	56.38	76.21
Light, Water and Power	67.44	58.45	62.26	54.61	60.11
Insurance	8.89	12.45	6.44	45.91	50.83
Misc Repair and Maintenance	149.96	127.04	89.25	92.08	68.76
Hire Charge for Office Equipment	5.18	4.72	2.47	5.64	4.31
TOTAL	**296.96**	**272.28**	**226.89**	**302.68**	**295.81**

ANNEXURE XXII – STATEMENT OF CORPORATE COSTS

(In Rs. Million)

PARTICULARS	FOR THE YEAR ENDED 31 MARCH				
	2010	2009	2008	2007	2006
BANK CHARGES	20.44	18.74	15.25	18.57	14.61
INTEREST	12.91	2.48	0.27	0.74	8.76
ADVERTISEMENT FOR TENDER & RECRUITMENT	92.76	52.47	25.37	22.04	65.10
PUBLICITY	3.55	4.25	4.98	6.35	6.53
SUBSCRIPTION	7.72	7.20	5.45	6.53	6.79
ENTERTAINMENT	18.19	15.86	14.05	11.90	5.99
FOREIGN EXCHANGE DIFFERENCE (NET)	-	40.80	-	7.70	-
REMUNERATION TO AUDITORS	0.88	0.85	0.46	0.48	0.46
FILLING FEE	0.27	0.14	0.12	0.12	0.19

PARTICULARS	FOR THE YEAR ENDED 31 MARCH				
	2010	2009	2008	2007	2006
LEGAL & PROFESSIONAL CHARGES	39.31	54.25	12.84	18.14	15.53
LICENCES & TAXES	9.53	9.51	9.93	8.95	20.82
LOSS ON SALE OF ASSETS	0.38	1.58	0.90	0.04	0.24
TOTAL	**205.94**	**208.13**	**89.62**	**101.56**	**145.02**

ANNEXURE XXIII – STATEMENT OF OTHER COSTS

(In Rs. Million)

PARTICULARS	FOR THE YEAR ENDED 31 MARCH				
	2010	2009	2008	2007	2006
CONSUMABLES STORES	0.23	0.08	0.31	1.20	0.01
TRAVEL & CONVEYANCE	468.83	425.03	353.39	396.35	321.81
PRINTING, STATIONERY & OFFICE SUPPLY	41.30	35.67	32.37	29.41	30.58
NEWSPAPER AND PERIODICALS	4.50	3.74	3.04	2.97	1.87
POSTAGE & TELECOMMUNICATION	48.80	44.17	34.59	37.08	28.04
COURIER, TRANSPORTATION & HANDLING	9.73	10.26	8.83	10.08	9.73
COMMISSION TO FOREIGN AGENTS	9.49	23.55	16.30	19.54	17.50
MISCELLANEOUS EXPENSES	11.62	6.62	5.22	4.34	6.09
PROVISION FOR DOUBTFUL DEBTS & ADVANCES (NET)	8.18	(13.02)	(36.06)	(65.46)	129.33
PROVISION FOR FORESEEABLE LOSSES (NET)	-	(3.06)	0.10	(6.12)	(122.78)
PROVISION FOR CONTRACTUAL OBLIGATIONS	475.76	469.78	371.51	248.87	235.33
BAD DEBT WRITTEN OFF	-	-	3.44	21.91	0.27
CUSTOM DUTY (INCLUDING INTEREST)	-	-	299.17	323.26	-
TRAINING EXPENSES	18.47	21.12	14.72	4.72	4.69
LESS : EXPENDITURE RELATING TO CAPITAL	0.14	0.06	0.08	0.11	0.27

PARTICULARS	FOR THE YEAR ENDED 31 MARCH				
	2010	2009	2008	2007	2006
WORKS					
TOTAL	**1,096.77**	**1,023.88**	**1,106.85**	**1,028.04**	**662.20**

ANNEXURE XXIV – STATEMENT OF CONSOLIDATED DEPRECIATION AND FIXED ASSET WRITTEN OFF

(In Rs. Million)

PARTICULARS	FOR THE YEAR ENDED 31 MARCH				
	2010	2009	2008	2007	2006
Depreciation	129.05	107.30	103.50	82.53	94.72
Fixed Assets Written Off	0.72	0.32	1.10	0.03	-
TOTAL	**129.77**	**107.62**	**104.60**	**82.56**	**94.72**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our restated consolidated financial statements as of and for the years ended March 31, 2005, 2006, 2007, 2008, 2009 and 2010, prepared in accordance with the Companies Act, Indian GAAP and the SEBI ICDR Regulations, including the schedules, annexures and notes thereto and the reports thereon, included in the section "Financial Statements" beginning on page F-1 of this RHP. Unless otherwise stated, the financial information used in this section is derived from the restated consolidated financial statements of the Company.

Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this RHP, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this RHP will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section "Risk Factors" on page xii of this RHP.

Overview

We are an engineering consultancy company providing design, engineering, procurement, construction and integrated project management services, principally focused on the oil and gas and petrochemicals industries in India and internationally. We also operate in a diverse set of other sectors including non-ferrous mining and metallurgy and infrastructure. We are also a primary provider of engineering consultancy services for the GoI's energy security initiative under its Integrated Energy Policy for strategic crude storages. We also execute projects on a turnkey basis.

We were incorporated in 1965 and have over the years developed a track record of working on landmark projects with various Indian and global energy majors. We have provided a range of engineering consultancy and project implementation services on more than 49 refinery projects, including eight greenfield refinery projects, seven petrochemical complexes, 35 oil and gas processing projects, 205 offshore platforms projects, 37 pipeline projects, 11 ports and storage and terminals projects, eight fertilizer projects and 26 mining and metallurgy projects. In the infrastructure space, we have provided a range of engineering consultancy services for 26 projects including for airports, highways, flyovers, bridges, water and sewer management, as well as energy-efficient "intelligent" buildings. We have also completed 16 turnkey projects, including refinery and petrochemicals projects and offshore platforms.

Our business is aligned into two principal operating segments: the Consultancy and Engineering Services segment and the Lumpsum Turnkey Projects segment. Projects on which we provide engineering consultancy and project management and implementation services are included in the Consultancy and Engineering segment. Projects that we undertake on a turnkey basis are included in our Lumpsum Turnkey Projects segment.

In our Consultancy and Engineering Services segment, we provide a range of engineering consultancy and project implementation services including project feasibility reports, project management, process design, basic and detailed engineering, procurement and inspection, cost engineering, planning and scheduling, construction management and commissioning of operations. We also provide specialist services such as heat and mass transfer equipment design, environmental engineering services, specialist materials and maintenance services, energy conservation services and plant operation and safety services. In the years ended March 31, 2008, 2009 and 2010, our revenue from the Consultancy and Engineering Projects segment was Rs.6,372.0 million, Rs.8,441.5 million and Rs.10,755.2 million, respectively.

In our Lumpsum Turnkey Projects segment, we undertake EPC turnkey projects on an open-book estimate basis or on a lump-sum turnkey contract basis. In the years ended March 31, 2008, 2009 and 2010, our income from the Lumpsum Turnkey Projects segment was Rs.1,163.1 million, Rs.7,079.1 million and Rs.9,384.7 million, respectively.

Our total income increased at a CAGR of 47.28% from Rs.6,876.5 million in the year ended March 31, 2007 to Rs.21,969.6 million in the year ended March 31, 2010, while our profit after taxation, as restated, increased at a CAGR of 47.31% from Rs.1,390.0 million in the year ended March 31, 2007 to Rs.4,443.4 million in the year ended March 31, 2010.

Our Order Book, comprising anticipated revenues from the unexecuted portions of existing contracts (including signed contracts for which all pre-conditions to entry into force have been met and letters of acceptance issued by the client prior to execution of the final contract) as of March 31, 2010, was Rs. 62,368.4 million.

Factors Affecting Results of Operations

Our business, results of operations and financial condition are affected by a number of factors, including the following:

Activity and expenditure levels in the energy industry

Demand for our services for petroleum refineries, petrochemicals projects, pipelines, offshore and onshore oil and gas projects and storage tanks and terminals is particularly sensitive to the level of development, production, exploration and transportation activity of, and the corresponding capital spending by, energy companies. Income derived from the energy industry accounted for the substantial majority of our income in the last three fiscal years. We expect that the hydrocarbon industry will continue to account for a majority of our revenues and profits in the future. Capital expenditure in the hydrocarbon industry is influenced by, among other factors, the rate of discovery and development of new oil and gas reserves; global demand for oil and gas and derivative products; increasing focus on alternative sources of energy, particularly renewable and sustainable forms of energy; local and international political and economic conditions, including the ability of OPEC countries to set and maintain production levels and prices for oil and gas; level of production by non-OPEC countries; exploration, extraction, production, refining and transportation costs; the sale and expiration dates of leases and concessions granted for exploration activities; governmental regulations and policies relating to the exploration for and production and development of their oil and natural gas reserves; global weather conditions; and trends in environmental legislation.

Oil and gas prices are subject to significant fluctuations in response to relatively minor changes in the supply of and demand for oil and gas, market uncertainty and a variety of other factors that are beyond our control. Any prolonged reduction in oil and gas prices will depress the level of exploration, development, production and transportation activity and result in a corresponding decline in the demand for our services in the energy industry. Any prolonged increase in oil and gas prices may also result in decreased or slowing of consumer demand for products derived from oil and gas, including gasoline, chemicals, synthetic fabrics and plastics, consequently resulting in reduced financial incentive to invest in additional production or transportation capacity. Sustained volatility of oil and gas prices can also cause capital expenditures to be postponed or cancelled. Historically, the markets for oil and gas have been volatile and are likely to continue to be volatile in the future. Oil prices have fluctuated significantly in fiscal 2008 and fiscal 2009, which significantly impacted the operations and capital expenditures by energy majors.

EPC projects for oil refineries in India

A significant portion of our Order Book as of March 31, 2010 comprises turnkey projects for the oil refineries of Mangalore Refineries and Petrochemicals Limited. Our results of operations for the next few financial years are heavily dependent on our ability to execute and realize revenues from these projects. Moreover, we expect the public sector in India to (a) establish several new oil refineries; (b) expand capacities in existing oil refineries; and (c) refurbish older oil refineries. In the past we have been successful in bidding for and winning contracts for engineering consultancy and turnkey refinery projects awarded by public sector companies in India. We believe that this is because of our track record of executing these projects and the fact that we are a public sector entity within the same governmental ministry as those entities that award these contracts – the MoPNG. We expect this trend to continue in the future, and therefore believe that we are well positioned to bid for and win contracts for public sector projects to establish, expand or refurbish oil refineries. However, in the event that the planned expansion of capacity or refurbishment of oil refineries is delayed or not forthcoming our results of operations for future years could be materially adversely affected.

Ability to bid for and win new contracts, and execute contracts in our Order Book

A portion of our revenue and earnings is generated from large-scale project awards. We operate in competitive markets where it is difficult to predict whether and when we will receive awards since these awards and projects often involve complex and lengthy negotiations and bidding processes. These processes can be impacted by a wide variety of factors including governmental approvals, financing contingencies, commodity prices, environmental conditions and overall market and economic conditions. In addition, during an economic downturn, many of our competitors may be more inclined to take greater or unusual risks or terms and conditions in a contract that we might not deem market or acceptable. Because a portion of our revenue is generated from large projects, our results of operations can fluctuate from quarter to quarter and year to year depending on whether and when project awards occur and the commencement and progress of work under awarded contracts.

Historically, a significant portion of our turnkey projects were performed on a fixed price basis. As a consequence, we were susceptible to the risk of material cost variation from the assumptions underlying a bid for several reasons, including unanticipated changes in engineering design of the project; unanticipated variations in the cost of equipment, fuel, material or manpower; timing of delivery of equipment and materials to the project site; ability of the client to obtain requisite environmental and other approvals; and the performance of suppliers and sub-contractors. While we still execute projects subject to fixed-price contracts, in recent periods our contract mix has shifted in favor of variable-price open-book estimate contracts.

As of March 31, 2010, our Order Book was Rs.62,368.4 million. In accordance with industry practice, substantially all of our contracts are subject to cancellation, termination, or suspension at the discretion of the client at any stage of the contract. In addition, the contracts in our Order Book are subject to changes in the scope of services to be provided as well as adjustments to the costs relating to the contracts. Our Order Book includes expected revenues for contracts that are based on estimates. Projects can remain in Order Book for extended periods of time because of the nature of the project and the timing of the particular services required by the project. The risk of contracts in Order Book being cancelled or suspended generally increases during periods of wide-spread economic slowdowns. In addition, even where a project proceeds as scheduled, it is possible that contracting parties may default and fail to pay amounts owed. Any delay, cancellation or payment default could adversely affect our cash flow position, revenues and/or profit.

Demand for our services in the infrastructure sector

Demand for our services in the infrastructure sector is primarily dependent on sustained economic development in the regions that we operate and government policies relating to infrastructure development. It is also dependent on budgetary allocations made by governments for this sector as well as funding provided by international and multilateral development finance institutions for infrastructure projects. Investment by the private sector in infrastructure projects is dependent on the potential returns from such projects and is therefore linked to government policies relating to private sector participation and sharing of risks and returns from such projects.

Critical Accounting Policies

A summary of the significant accounting policies applied in the preparation of our financial statements is set out in the notes to the financial statements included elsewhere in this RHP. The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the provisions of the Companies Act, 1956 and the accounting principles generally accepted in India and comply with the accounting standards prescribed in the

Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.

The preparation of our financial statements in conformity with Indian GAAP requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of such financial statements and the results of operations during the reporting period. Examples of such estimates include estimate of cost expected to be incurred to complete performance under composite arrangements, income taxes, provision for warranty, employment retirement benefit plans, provision for doubtful debts and estimated useful life of the fixed assets. By their nature, these judgments and estimates are subject to a degree of uncertainty. These judgments are based on our historical experience, terms of existing contracts, and our observance of trends in the industry, information provided by our clients and information available from other third party sources, as appropriate. There can be no assurance that our judgments will prove correct or that actual results reported in future periods will not differ from our expectations reflected in our accounting treatment of certain items. Any revision to accounting estimates is recognized prospectively in current and future periods.

While all aspects of our financial statements should be read and understood in assessing our current and expected financial condition and results of operations, we believe that the following critical accounting policies warrant particular attention.

Income recognition

(A) Income from services rendered is accounted for:

- (i) in the case of cost plus jobs, on the basis of amount billable under the contracts;
- (ii) in the case of lumpsum services and lumpsum turnkey contracts, as proportion of actual direct costs of the work to latest estimated total direct cost of the work; and
- (iii) in the case of contracts providing for a percentage fee on equipment / project cost, on the basis of physical progress duly certified.

(B) Other claims including interest on outstanding amounts are accounted for when there is virtual certainty of ultimate collection.

Turnover / Work-in-progress

(A) No income has been taken into account on jobs for which:

- (i) the terms of remuneration receivable by the Company have not been settled and / or scope of work has not been clearly defined and, therefore, it is not possible in the absence of settled terms to determine whether there is a profit or loss on such jobs. However, in cases where minimum undisputed terms have been agreed to by the clients, income has been accounted for on the basis of such undisputed terms though the final terms are still to be settled; or
- (ii) The terms have been agreed to at lumpsum services / lumpsum turnkey contracts and physical progress is less than 25%.

(B) The cost of such jobs as stated in (A) above is carried forward as work-in-progress at actual direct cost.

Fixed assets

(A) Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses.

(B) The cost of any software purchased initially along with the computer hardware is being capitalized along with the cost of the hardware. Any subsequent acquisition or upgrading of software is capitalized as an asset.

(C) Whenever any new office space is acquired and partitions / fixtures and fittings are provided to make it suitable for use, the expenditure on the same is capitalized. All expenditure on subsequent modifications and repairs of partitions or fixtures and fittings are charged to revenue in the year it is incurred.

Depreciation

(A) Depreciation on fixed assets is charged on the straight line method either on the basis of rates arrived at with reference to the useful life of the assets evaluated by the Committee consisting of Technical experts and approved by the Management, or the minimum rates prescribed under Schedule XIV of the Companies Act, 1956, whichever is higher.

(B) No depreciation has been provided in the case of land which is on perpetual lease or where no lease deeds have been executed. Premium paid on land where lease agreements have been executed are written off over the period of lease proportionately.

(C) The cost of capitalized software is amortized over a period of three years from the date of its acquisition. However, software individually costing up to Rs.500,000 is fully amortized during the year of its acquisition.

(D) 100% depreciation is provided on library books in the year of purchase since individual books are low value items.

(E) Assets individually costing less that Rs. 5,000 are fully depreciated in the year of acquisition.

Impairment of assets

Impairment of cash generating assets are reviewed for impairment whenever an event or changes in circumstances indicate that carrying amount of such assets may not be recoverable. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of assets. If it is found that some of the impairment losses already recognized needs to be reversed the same are recognized in the statement of Profit and Loss Account in the year of reversal

Provision for Contractual Obligations

The provision for estimated liabilities on account of guarantees, warranties, etc., in respect of lumpsum services and lumpsum turnkey contracts awarded to the Company are being made on the basis of assessment of risk and consequential probable liabilities on each such contract made by the management.

Foreign exchange transactions

(A) Fixed assets are incorporated at the rates in force when transaction takes place.

(B) Current Assets and Current Liabilities including Cash and Bank balances are carried at the year end exchange rates. Any gain or loss on account of exchange difference is charged to the Profit and Loss Account.

(C) Foreign currency transactions (Income & Expenditure) are accounted for at average monthly rates based on market rates for preceding month in respect of Pound Sterling, US Dollars, Euro, Australian Dollar, Canadian Dollar, Swiss Franc & Japanese Yen and in respect of other currencies at Government rates prevailing in the month. Payments to sub-contractors and vendors from the foreign currency account are recorded at bank rate prevailing on the date of transaction.

Research and development expenditure / Government grant

(A) Revenue expenditure on Research and Development is charged to Profit and Loss Account in the year the expenditure is incurred. Capital expenditure on research and development is capitalized under respective fixed assets.

(B) Government grant of capital nature for promotion and setting up of a research and development centre is treated as capital reserve and shown separately under Reserves and Surplus.

(C) Funds received from Government Agencies to carry out Research and Development activities are shown under the Head 'other income' as adjustment against expenditure incurred. Unutilized funds are shown under other liabilities.

Income and Expenditure Overview

Income

Consultancy and Engineering

Under this segment, we account for income from various consultancy and engineering services contracts, including project feasibility reports, project management, process design, basic and detailed engineering, procurement and inspection, cost engineering, planning and scheduling, construction management, commissioning of operations, and specialist services. We receive payments for these services in the form of lumpsum fees as well as on a cost plus or rate reimbursable basis. We also record in this segment any increase or decrease in work-in-progress on our consultancy and engineering services contracts, which is the closing work-in-progress as of the end of the relevant financial year less the opening work-in-progress as of the beginning of that financial year.

Lumpsum Turnkey Projects

Under this segment, we record our income from implementing EPC turnkey projects, on a lumpsum fee basis or on a combination of open book estimates and lumpum fees basis. We also record any increase or decrease in work-in-progress on EPC turnkey projects – the closing work-in-progress as of the end of the relevant financial year less the opening work-in-progress as of the beginning of that financial year.

Other income

Other income primarily includes (i) interest earned on bank deposits, on other deposits, on advances to employees and on income tax refunds; (ii) income from long-term investments, including share of profit from trade investments, as well as interest on 6.75% tax free US 64 bonds of Unit Trust of India ("UTI"); (iii) dividend income from current investments; (iv) profit on sale of investments; (v) profit on sale of assets; (vi) provisions no longer required written back; (vii) foreign exchange gains; and (viii) miscellaneous income.

Expenditure

Our expenditures principally consist of expenses related to (i) technical assistance and subcontracts; (ii) construction materials and equipment; (iii) salaries and benefits; (iv) facilities; (v) corporate cost; (vi) depreciation'; and (vii) other expenses.

Technical assistance and subcontracts

Our technical assistance and subcontracts expenses consist of (a) expenditure incurred on consultants and experts in connection with the services we provide; and (b) payments made to subcontractors, including costs for the procurement of cement and steel by such subcontractors, for undertaking civil, mechanical and electrical works in connection with our turnkey contracts. We incur most of our subcontracts costs for construction activities undertaken by our subcontractors for our turnkey projects.

Construction materials and equipment

Our construction materials and equipment costs comprise the cost of materials and equipment, including compressors, rectors and pumps, procured by us in the procurement phase of our turnkey projects. This excludes materials for civil, mechanical and electrical works undertaken by subcontractors. We incur most of these costs for construction materials and equipment procured by us for our turnkey projects.

Salaries and benefits

Salaries and benefits costs comprise salaries and allowances, contribution towards employees' pension and provident fund and other post-retirement benefits, and staff welfare expenses.

Facilities

Facilities expenses consists of expenses for (i) office rent; (ii) rent for residential accommodation for employees; (iii) light, water and power; (iv) insurance; (v) miscellaneous repairs and maintenance of our building, as well as for plant and machinery; and (vi) hire charges of office equipment.

Corporate cost

Our corporate costs include expenses for (i) bank charges; (ii) advertisement for tenders and recruitment; (iii) publicity; (iv) entertainment; (v) foreign exchange difference; (vi) remuneration to auditors; and (vii) legal and professional charges.

Other expenses

Our other expenses principally consist of expenditure for (i) consumables or stores; (ii) travel and conveyance; (iii) printing, stationery and general office supplies; (iv) newspapers and periodicals; (v) postage and telecommunications; (vi) courier, transportation and handling; (vii) commission to foreign agents; (viii) miscellaneous expenses; (ix) provision for doubtful debts and advances; (x) provision for contractual obligations; and (xi) training expenses.

Results of operations

Our restated financial statements as of and for the years ended March 31, 2006, 2007, 2008, 2009 and 2010 and our restated financial included in this RHP have been presented in compliance with paragraph B(1) of Part II of Schedule II to the Companies Act, Indian GAAP and the ICDR Regulations. The effect of such restatement is that our financial statements included in this RHP have been restated to conform to methods used in preparing our latest financial statements, as well as to conform to any changes in accounting policies. For further information relating to such restatement adjustments, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Restatement Adjustments" below.

The following table sets forth certain information with respect to our results of operations, as restated, for the periods indicated:

Particulars	**Year ended March 31,**			
	2010	**2009**	**2008**	**2007**
	Rs. Million			
Income				
Consultancy and Engineering Services	10,755.2	8,441.5	6,372.0	4,992.8
Lumpsum Turnkey Projects	9,384.7	7,079.1	1,163.1	823.3
Other income	1,829.7	2,215.5	1,341.2	1,060.4
Total	**21,969.6**	**17,736.1**	**8,876.3**	**6,876.5**
Expenditure				
Technical assistance / subcontracts	3,021.2	1,911.8	562.1	410.7
Construction materials and equipment	5,558.3	4,954.7	368.2	326.2
Salaries and benefits	4,911.7	3,902.9	3,351.2	2,518.3

Facilities	301.7	276.2	228.4	303.8
Corporate costs	208.0	207.8	90.5	101.7
Others	1,128.0	1,054.0	1,138.6	1.051.4
Depreciation and fixed assets written off	131.7	109.5	105.6	83.3
Total	**15,260.5**	**12,416.9**	**5,844.5**	**4,795.4**
Profit for the year	**6,709.1**	**5,319.2**	**3,031.8**	**2,081.0**
Provision for tax				
Current tax	2,497.2	2,010.6	1,115.0	951.8
Fringe benefit tax	-	30.2	28.9	29.0
Deferred tax	(231.5)	(216.8)	(104.7)	(289.8)
Profit after tax	**4,443.4**	**3,495.2**	**1,992.6**	**1,390.0**

Restatement Adjustments

The following table sets forth certain information relating to the restatement adjustments applied for the periods indicated:

Particulars	**For the year ended March 31,**			
	2010	**2009**	**2008**	**2007**
	Rs. Million			
Profit After Tax as per Audited Accounts	**4,404.74**	**3,511.46**	**1,980.21**	**1,451.30**
Adjustment on account of				
Change in Accounting Policies				
Salaries Cost	-	-	(1.74)	0.61
Income Tax	-	-	0.59	(0.14)
Other Long Term Benefits on Retirement	-	-	-	(0.80)
Deferred Tax	-	-	(0.59)	0.14
Total	-	-	**(1.74)**	**(0.19)**
Material Adjustments				
Net Sales/Income from Operations	-	(8.07)	(0.87)	(12.08)
Other Income	-	0.14	0.01	0.70
Salaries Cost	-	-	-	(0.20)
Corporate Cost	-	(0.05)	-	-
Others	-	(0.20)	(0.07)	(0.58)
Depreciation	**0.01**	0.81	(0.27)	0.41
Deferred Tax	-	-	(4.32)	0.30
Total	**0.01**	**(7.37)**	**(5.52)**	**(11.45)**
Prior Period Adjustment (Net)	**8.18**	**0.93**	**24.86**	**(2.68)**
Prior Period Tax Adjustment	**49.32**	**(4.96)**	**4.99**	**(50.64)**
Prior Period Deferred Tax Adjustment	**(18.81)**	**(10.10)**	**(13.22)**	**-**
Income Tax Reallocated		**(13.60)**	**5.42**	**(9.40)**
Deferred Tax Reallocated		**18.81**	**(2.36)**	**13.09**
Total Impact of Adjustments	**38.70**	**(16.29)**	**12.43**	**(61.27)**
Adjusted Profit After Tax	**4,443.44**	**3,495.17**	**1,992.64**	**1,390.03**

For further information on restatement adjustments, please refer to Annexure I of our restated consolidated financial statements.

Year ended March 31, 2010 compared to year ended March 31, 2009

Income

Our total income increased 23.87% to Rs.21,969.6 million in the year ended March 31, 2010 from Rs.17,736.1 million in the year ended March 31, 2009.

Consultancy and Engineering

Consultancy and engineering income increased 27.41% to Rs.10,755.2 million in the year ended March 31, 2010 from Rs.8,441.5 million in the year ended March 31, 2009. This increase was attributable primarily to the following reasons: (a) a general increase in the volume of engineering consultancy assignments executed by us; and (b) increased revenues recognized in the year ended March 31, 2010 compared to the year ended March 31, 2009 from the Guru Gobind Singh refinery project, Brahmaputra petrochemicals project and the MRPL refinery expansion project.

Lumpsum Turnkey Projects

Lumpsum turnkey projects income increased 32.57% to Rs.9,384.7 million in the year ended March 31, 2010 from Rs.7,079.1 million in the year ended March 31, 2009. This increase was attributable primarily to the following reasons: (a) we recognized revenues from an additional project in the year ended March 31, 2010 compared to the year ended March 31, 2009; and (b) we recognized increased revenues in the year ended March 31, 2010 compared to the year ended March 31, 2009 from the Euro IV project of CPCL, offset in part by reduced revenues recognized in the year ended March 31, 2010 compared to the year ended March 31, 2009 from the LLDPE project for IOCL, for which mechanical completion was achieved in the year ended March 31, 2010.

Other income

Other income decreased 17.41% to Rs.1,829.7 million in the year ended March 31, 2010 from Rs.2,215.5 million in the year ended March 31, 2009. The decrease in other income was attributable primarily to decreases in provisions no longer required written back of Rs.660.4 million, offset in part by an increases in interest earned on bank deposits of Rs.75.7 million and capital gain on current investments of Rs.169.8 million, in each case for the year ended March 31, 2010 compared to the year ended March 31, 2009.

Expenditure

Our total expenditure increased 22.90% to Rs.15,260.5 million in the year ended March 31, 2010 from Rs.12,416.9 million in the year ended March 31, 2009.

Technical assistance and subcontracts

Our expenses for technical assistance and subcontracts increased 58.03% to Rs.3,021.2 million in the year ended March 31, 2010 from Rs.1,911.8 million in the year ended March 31, 2009. The increase was attributable primarily to an increase in subcontracting costs associated with the increased level of construction activity on our turnkey projects, particularly the MRPL PFCCU project, the IOCL LLDPE project and the CPCL EURO IV project, in the year ended March 31, 2010 compared to the year ended March 31, 2009.

Construction materials and equipment

Our expenses for construction materials and equipment increased 12.18% to Rs.5,558.3 million in the year ended March 31, 2010 from Rs.4,954.7 million in the year ended March 31, 2009. This increase was attributable primarily to material and equipment costs in connection with the EURO IV project for CPCL, for which substantial materials and equipment was procured in the year ended March 31, 2010 compared to the year ended March 31, 2009.

Salaries and benefits

Our salaries and benefits costs increased 25.85% to Rs.4,911.7 million in the year ended March 31, 2010 from Rs.3,902.9 million in the year ended March 31, 2009. The increase was attributable primarily to the increase in salaries and allowances to Rs.3,815.2 million in the year ended March 31, 2010 from Rs.2,544.8 million in the year ended March 31, 2009, contributions towards our newly adopted superannuation scheme of Rs.451.7 million, offset by a decrease in contributions to the gratuity fund of Rs.84.2 million in the year ended March 31, 2010 compared to Rs.706.7 million in the year ended March 31, 2009. The increase in salaries and allowances was due to the following: (a) the full year effect of an increase in various allowances pursuant to wage revision recommendations (with effect from November 26, 2008) compared to only four months in the year ended March 31, 2009; and (b) increases in overall salary levels because of increased employee strength, annual increments and increases in dearness allowances.

Facilities

Our facilities expenses increased 9.23% to Rs.301.7 million in the year ended March 31, 2010 from Rs.276.2 million in the year ended March 31, 2009. This increase was attributable primarily to an increase in the year ended March 31, 2010 miscellaneous repairs and maintenance of Rs.23.1 million compared to the year ended March 31, 2009.

Corporate cost

Our corporate costs increased 0.10% to Rs.208.0 million in the year ended March 31, 2010 from Rs.207.8 million in the year ended March 31, 2009. This increase was attributable primarily to an increase of Rs.40.3 million in expenses for advertisement for tenders and recruitment, offset almost entirely by decreases of Rs.39.1 million in foreign exchange difference for the year ended March 31, 2010 compared to the year ended March 31, 2009.

Other expenses

Our other expenses increased 7.02% to Rs.1,128.0 million in the year ended March 31, 2010 from Rs.1, 054.0 million in the year ended March 31, 2009. The increase was due principally to increases of Rs.42.2 million in travel and conveyances in the year ended March 31, 2010 compared to the year ended March 31, 2009.

Profit for the year

For the reasons discussed above, profit for the year increased 26.13% to Rs.6,709.1 million in the ended March 31, 2010 from Rs.5,319.2 million in the ended March 31, 2009.

Profit after tax

Provision for taxes increased 24.21% to Rs.2,265.6 million in the year ended March 31, 2010 from Rs.1,824.0 million in the year ended March 31, 2009. This increase was in line with our increased profit for the year ended March 31, 2010 compared to our profit for the year ended March 31, 2009. Accordingly, profit after tax increased 27.13% to Rs.4,443.4 million in the year ended March 31, 2010 from Rs.3,495.2 million in the year ended March 31, 2009.

Year ended March 31, 2009 compared to year ended March 31, 2008

Income

Our total income increased 99.81% to Rs.17,736.1 million in the year ended March 31, 2009 from Rs.8,876.3 million in the year ended March 31, 2008.

Consultancy and Engineering

Consultancy and engineering income increased 32.48% to Rs.8,441.5 million in the year ended March 31, 2009 from Rs.6,372.0 million in the year ended March 31, 2008. This increase was attributable primarily to the following reasons: (a) a general increase in the volume of engineering consultancy assignments executed by us; and (b) increased revenues recognized in the year ended March 31, 2009 compared to the year ended March 31, 2008 from the Guru Gobind Singh refinery project.

Lumpsum Turnkey Projects

Lumpsum turnkey projects income increased 508.64% to Rs.7,079.1 million in the year ended March 31, 2009 from Rs.1,163.1 million in the year ended March 31, 2008. This increase was attributable primarily to the increased revenues recognized in the year ended March 31, 2009 compared to the year ended March 31, 2008 from the LLDPE project for IOCL and the Euro IV project of CPCL.

Other income

Other income increased 65.19% to Rs.2,215.5 million in the year ended March 31, 2009 from Rs.1,341.2 million in the year ended March 31, 2008. The increase in other income was attributable primarily to increases of interest earned on bank deposits of Rs.404.4 million and provisions no longer required written back of Rs.558.7 million, in each case for the year ended March 31, 2009 compared to the year ended March 31, 2008.

Expenditure

Our total expenditure increased 112.45% to Rs.12,416.9 million in the year ended March 31, 2009 from Rs.5,844.5 million in the year ended March 31, 2008. The significant increase in total expenditure in the year ended March 31, 2009 from that in the year ended March 31, 2008 was primarily on account of an increase in technical assistance and subcontracts as well as an increase in construction materials and equipment. These increases were attributable to the significant growth in our lumpsum turnkey projects income which increased by 508.64% from Rs.1,163.1 million in the year ended March 31, 2008 to Rs.7,079.1 million in the year ended March 31, 2009.

Technical assistance and subcontracts

Our expenses for technical assistance and subcontracts increased 240.12% to Rs.1,911.8 million in the year ended March 31, 2009 from Rs.562.1 million in the year ended March 31, 2008. The increase was attributable primarily to an increase in subcontracting costs associated with the increased level of construction activity on our turnkey projects, particularly the EURO IV project for CPCL and the LLDPE project for IOCL, in the year ended March 31, 2009 compared to the year ended March 31, 2008.

Construction materials and equipment

Our expenses for construction materials and equipment increased 1,245.65% to Rs.4,954.7 million in the year ended March 31, 2009 from Rs.368.2 million in the year ended March 31, 2008. This increase was attributable primarily to increases costs incurred by us for procuring material and equipment in connection with the LLDPE project for IOCL in the year ended March 31, 2009 compared to the year ended March 31, 2008.

Salaries and benefits

Our salaries and benefits costs increased 16.46% to Rs.3,902.9 million in the year ended March 31, 2009 from Rs.3,351.2 million in the year ended March 31, 2008. The increase was attributable primarily to the significant increase in contributions to the gratuity fund to Rs.706.7 million in the year ended March 31, 2009 from Rs.37.3 million in the year ended March 31, 2008, offset in part by an 8.03% decrease in salaries and benefits to Rs.2,544.8 million in the year ended March 31, 2009 from Rs.2,766.9 million in the year ended March 31, 2008. The increase in contributions to the gratuity fund was due to an increase in the gratuity payment ceiling to Rs.1 million from Rs.350,000; whereas the decrease in salaries and benefits was because of higher wage revision liability provisions for the year ended March 31, 2008 that was recalculated on finalization of the wage revision liability in the year ended March 31, 2009.

Facilities

Our facilities expenses increased 20.93% to Rs.276.2 million in the year ended March 31, 2009 from Rs.228.4 million in the year ended March 31, 2008. This increase was attributable primarily to an increase in miscellaneous repairs and maintenance of Rs.38.9 million in the year ended March 31, 2009 compared to the year ended March 31, 2008.

Corporate cost

Our corporate costs increased 129.61% to Rs.207.8 million in the year ended March 31, 2009 from Rs.90.5 million in the year ended March 31, 2008. This increase was attributable principally to increases of Rs.27.1 million, Rs.39.1 million and Rs.41.4 million, in expenses for advertisement for tenders and recruitment, foreign exchange difference, and legal and professional charges, respectively, in each case for the year ended March 31, 2009 compared to the year ended March 31, 2008.

Other expenses

Our other expenses decreased 7.43% to Rs.1,054.0 million in the year ended March 31, 2009 from Rs.1,138.6 million in the year ended March 31, 2008. The decrease was due principally to custom duty of Rs.299.2 million paid in the year ended March 31, 2008 while no such custom duty was paid in the year ended March 31, 2009. The decrease in custom duty paid was offset in part by increases of Rs.65.4 million and Rs.98.3 million in travel and conveyances and provision for contractual obligations, respectively, in each case for the year ended March 31, 2009 compared to the year ended March 31, 2008.

Profit for the year

For the reasons discussed above, profit for the year increased 75.45% to Rs.5,319.2 million in the ended March 31, 2009 from Rs.3,031.8 million in the year ended March 31, 2008.

Profit after tax

Provision for taxes increased 75.52% to Rs.1,824.0 million in the year ended March 31, 2009 from Rs.1,039.2 million in the year ended March 31, 2008. This increase was in line with our increased profit for the year ended March 31, 2009 compared to our profit for the year ended March 31, 2008. Accordingly, profit after tax increased 75.41% to Rs.3,495.2 million in the year ended March 31, 2009 from Rs.1,992.6 million in the year ended March 31, 2008.

Year ended March 31, 2008 compared to year ended March 31, 2007

Income

Our total income increased 29.08% to Rs.8,876.3 million in the year ended March 31, 2008 from Rs.6,876.5 million in the year ended March 31, 2007.

Consultancy and Engineering

Consultancy and engineering income increased 27.62% to Rs.6,372.0 million in the year ended March 31, 2008 from Rs.4,992.8 million in the year ended March 31, 2007. This increase was attributable primarily to the following reasons: (a) a general increase in the volume of engineering consultancy assignments executed by us; and (b) increased revenues recognized in the year ended March 31, 2008 compared to the year ended March 31, 2007 from the Bina refinery project and the Naphtha Cracker project for IOCL.

Lumpsum Turnkey Projects

Lumpsum turnkey projects income increased 41.27% to Rs.1,163.1 million in the year ended March 31, 2008 from Rs.823.3 million in the year ended March 31, 2007. This increase was attributable primarily to the increased revenues recognized from the LLDPE project in the year ended March 31, 2008 compared to the year ended March 31, 2007.

Other income

Other income increase 26.48% to Rs.1,341.2 million in the year ended March 31, 2008 from Rs.1,060.4 million in the year ended March 31, 2007. The increase in other income was attributable primarily to an increase of interest earned on bank deposits of Rs.454.2 million, offset in part by a decrease in provisions no longer required written back of Rs.140.7 million for the year ended March 31, 2008 compared to the year ended March 31, 2007.

Expenditure

Our total expenditure increased 21.88% to Rs.5,844.5 million in the year ended March 31, 2008 from Rs.4,795.4 million in the year ended March 31, 2007.

Technical assistance and subcontracts

Our expenses for technical assistance and subcontracts increased 36.86% to Rs.562.1 million in the year ended March 31, 2008 from Rs.410.7 million in the year ended March 31, 2007. The increase was attributable primarily to an increase in subcontracting costs associated the LLDPE project for IOCL in the year ended March 31, 2008 compared to the year ended March 31, 2007.

Construction materials and equipment

Our expenses for construction materials and equipment increased 12.88% to Rs.368.2 million in the year ended March 31, 2008 from Rs.326.2 million in the year ended March 31, 2007. This increase was attributable primarily to costs incurred by us in procuring material and equipment in connection with the LLDPE project for IOCL.

Salaries and benefits

Our salaries and benefits costs increased 33.07% to Rs.3,351.2 million in the year ended March 31, 2008 from Rs.2,518.3 million in the year ended March 31, 2007. The increase was attributable primarily to a 36.07% increase in salaries and benefits to Rs.2,766.9 million in the year ended March 31, 2008 from Rs.2,033.5 million in the year ended March 31, 2007, and a 44.24% increase in contributions towards employees' pension and provident fund to Rs.211.6 million in the year ended March 31, 2008 from Rs.146.7 million in the year ended March 31, 2007. The increase in salaries and benefits was because of higher wage revision liability provisions for the full year ended March 31, 2008 compared to provisions for only three months in the year ended March 31, 2007.

Facilities

Our facilities expenses decreased 24.82% to Rs.228.4 million in the year ended March 31, 2008 from Rs.303.8 million in the year ended March 31, 2007. This decrease was attributable primarily to decreases in the year ended March 31, 2008 in miscellaneous repairs and maintenance of Rs.2.6 million, office rent of Rs.28.0 million, residential rent of Rs.9.9 million and insurance expenses of Rs.39.5 million, in each case compared to the year ended March 31, 2007.

Corporate cost

Our corporate costs decreased 11.01% to Rs.90.5 million in the year ended March 31, 2008 from Rs.101.7 million in the year ended March 31, 2007. This decrease was attributable principally to decreases of Rs.3.3 million, Rs.6.7 million and Rs.5.4 million, in expenses for bank charges, foreign exchange difference, and legal and professional charges, respectively, in each case for the year ended March 31, 2008 compared to the year ended March 31, 2007.

Other expenses

Our other expenses increased 8.29% to Rs.1,138.6 million in the year ended March 31, 2008 from Rs.1,051.4 million in the year ended March 31, 2007. The increase was principally due to an increase of Rs.122.6 million in provision for contractual obligations, offset in part by a decrease of Rs.34.7 million in travel and conveyance expenses for the year ended March 31, 2008 compared to the year ended March 31, 2007.

Profit for the year

For the reasons discussed above, profit for the year increased 45.69% to Rs.3,031.8 million in the year ended March 31, 2008 from Rs.2,081.0 million in the year ended March 31, 2007.

Profit after tax

Provision for taxes increased 50.39% to Rs.1,039.2 million in the year ended March 31, 2008 from Rs.691.0 million in the year ended March 31, 2007. This increase was in line with our increased profit for the year ended March 31, 2008 compared to our profit for the year ended March 31, 2007. Accordingly, profit after tax increased 43.35% to Rs.1,992.6 million in the year ended March 31, 2008 from Rs.1,390.0 million in the year ended March 31, 2007.

Liquidity and Capital Resources

Our requirement for liquidity and capital primarily arises from our working capital requirements. Historically, we have relied on cash generated from operations for our working capital requirements.

Cash Flow

The following table sets out our consolidated and summarized cash flows for each of the periods indicated:

Rs. in million

Particulars	Year ended March 31,		
	2010	2009	2008
Cash generated from operating activities......................	3,589.4	5,960.4	3,124.7
Cash generated from investment activities	2,070.4	1,309.0	636.8
Cash (used in) financing activities................................	(6,929.6)	(757.6)	(659.1)
Increase/(decrease) in cash and cash equivalents	(1,269.8)	6,511.8	3,102.4

Operating activities

Year ended March 31, 2010

Net cash generated from operating activities of Rs.3,589.4 million for the year ended March 31, 2010 consisted of net profit before tax of Rs.6,709.1 million, a net downward adjustment of Rs.1,595.3 million relating to various items and a net upward working capital adjustment of Rs.858.8 million, less taxes paid of Rs.2,383.3 million.

Working capital adjustments were attributable primarily to an increase in current liabilities and provisions of Rs.1,042.2 million, offset in part by increases in sundry debtors of Rs.176.7 million and work in progress of Rs.96.8 million. The increase in current liabilities and provisions reflects the higher volume of projects executed by us in the year ended March 31, 2010 compared to the year ended March 31, 2009, and as a consequence of differences between amounts billed to clients based on milestones achieved and revenue recognition based on cost progress.

Year ended March 31, 2009

Net cash generated from operating activities of Rs.5,960.4 million for the year ended March 31, 2009 consisted of net profit before tax of Rs.5,319.2 million, a net downward adjustment of Rs.1,395.0 million relating to various items and a net upward working capital adjustment of Rs. 4,194.9 million, less taxes paid of Rs.2,158.6 million.

Working capital adjustments were attributable primarily to an increase in current liabilities and provisions of Rs.6,003.9 million, offset in part by increases in sundry debtors of Rs.1,218.7 million and loans and advances of Rs.576.2 million. The increase in current liabilities and provisions reflects the higher volume of projects executed by us in the year ended March 31, 2009 compared to the year ended March 31, 2008, and as a consequence of differences between amounts billed to clients based on milestones achieved and revenue recognition based on cost progress.

Current liabilities increased from Rs. 8,009.5 million as of March 31, 2008 to Rs.12,961.7 million as of March 31, 2009, an increase of 61.8%, while sundry debtors increased from Rs.1,863.4 million as of March 31, 2008 to Rs.3,082.1 million as of March 31, 2009, an increase of 65.4%. These increase were on account of the growth in our operations, as reflected in an increase of 106.0% in our income from services from Rs.7,535.1 million in the year ended March 31, 2008 to Rs.15,520.6 million in the year ended March 31, 2009. As a result of the significant increase in our operations, liabilities on account of sundry creditors, security deposits, advances received from customers and amount held on behalf of clients for depository jobs executed by us also increased substantially. It may be noted that in effect the debtor days have decreased from 90.3 days in the year ended March 31, 2008 to 72.5 days in the year ended March 31, 2009.

Year ended March 31, 2008

Net cash generated from operating activities of Rs.3,124.7 million for the year ended March 31, 2008 consisted of net profit before tax of Rs.3,031.8 million, a net downward adjustment of Rs.1,037.2 million relating to various items and a net upward working capital adjustment of Rs.2,379.7 million, less taxes paid of Rs.1,249.6 million.

Working capital adjustments were attributable primarily to an increase in current liabilities and provisions of Rs.2,902.6 million, offset in part by increases in loans and advances of Rs.554.5 million. The increase in current liabilities and provisions reflects the higher volume of projects executed by us in the year ended March 31, 2008 compared to the year ended March 31, 2007, and as a consequence of differences between amounts billed to clients based on milestones achieved and revenue recognition based on cost progress.

Investing Activities

Year ended March 31, 2010

Net cash generated from investment activities for the year ended March 31, 2010 was Rs.2,070.4 million, comprising primarily interest on bank deposits / advances to employees / UTI bonds of Rs.1,548.8 million, and other investments, comprising capital gain on sale of current investments, comprising investment in debt instruments, including fixed maturity and liquid plans, of Rs.169.8 million, offset in part by purchase of fixed assets (net of adjustments), including capital work-in-progress, comprising computer software and hardware, as well as land in Chennai for an office building, of Rs.217.1 million.

Year ended March 31, 2009

Net cash generated from investment activities for the year ended March 31, 2009 was Rs.1,309.0 million, comprising primarily interest on deposits / advances to employees / UTI bonds of Rs.1,554.4 million, offset in part by purchase of fixed assets (net of adjustments), including capital work-in-progress, comprising primarily computer software and hardware, of Rs.231.0 million.

Year ended March 31, 2008

Net cash generated from investment activities for the year ended March 31, 2008 was Rs.636.8 million, comprising primarily interest on deposits / advances to employees / UTI bonds of Rs.925.5 million, offset in part by purchase of fixed assets (net of adjustments), including capital work-in-progress, comprising computer software and hardware, of Rs.206.1 million.

Financing activities

Year ended March 31, 2010

Net cash used in financing activities for the year ended March 31, 2010 was Rs.6,929.6 million, entirely comprising dividend payments.

Year ended March 31, 2009

Net cash used in financing activities for the year ended March 31, 2009 was Rs.757.7 million, entirely comprising dividend payments.

Year ended March 31, 2008

Net cash used in financing activities for the year ended March 31, 2008 was Rs.659.1 million, entirely comprising dividend payments.

Order Book

As of March 31, 2010, our Order Book, comprising anticipated revenues from the unexecuted portions of existing contracts entered into by our Company (including signed contracts for which all pre-conditions to entry into force have been met and letters of acceptance issued by the client prior to execution of the final contract) as of such date, was Rs.62,368.4 million.

The following table sets forth certain information relating to our Order Book as of March 31, 2010 by business segment:

Particulars	**As of March 31, 2010**	**%**
	(Rupees in millions)	
Consultancy and Engineering Projects Segment	29,158.5	47
Lumpsum Turnkey Projects Segment	33,209.9	53
Total	**62,368.4**	**100**

Order Book information provided by us is not audited and does not necessarily indicate future earnings related to the performance of such contracts. If we do not achieve our expected margins or suffer losses on one or more of these contracts, this could reduce our income or cause us to incur a loss. Our competitors may not define Order Book in the same manner as us.

Although projects in our Order Book represent business that we consider firm, cancellations or scope adjustments may occur. Due to changes in project scope and schedule, we cannot predict with any certainty when or if the projects in our Order Book will be performed and will generate revenue. In addition, even where a project proceeds as scheduled, it is possible that contracting parties may default and fail to pay amounts owed or dispute the amounts owed to us. There may also be delays associated with collection of receivables from clients. Investors are cautioned against placing undue reliance on the information relating to our Order Book included in this RHP. "*Risk Factors—The contracts in our Order Book may be adjusted, cancelled or suspended by our clients and, therefore, our Order Book is not necessarily indicative of our future revenues or earnings. Additionally, even if fully performed, our Order Book may not be a reliable indicator of our future gross margins.*"

A majority of our Order Book as of March 31, 2010 comprised five projects, including three for MRPL, revenues for all of which are recognized using the cost-progress method. These contracts generally are OBE contracts convertible to an LSTK contracts to provide detailed engineering, procurement, supply, construction, installation, testing, commissioning and design services; or (ii) fixed price contracts. Under these contracts, the counterparty is typically entitled to cancel, suspend or terminate the contract anytime at its discretion, while we are obliged to complete the work commenced and entitled to costs for the work actually performed. Furthermore, in event of a termination attributable to a default or failure committed by us, we usually are not entitled to any damage, compensation or loss of profit.

Mangalore Refineries Petrochemicals Limited – EPC Services for a PFFC Unit in Mangalore, Karnataka

We entered into a contract with MRPL on August 24, 2009 to provide EPC services in relation to setting up a PFFC unit at Mangalore. This contract is an OBE contract convertible to an LSTK contract. Under this contract, we provide detailed engineering, procurement, construction, supply, construction, installation, testing, commissioning and design services.

Mangalore Refineries Petrochemicals Limited – EPC Services for a Sulphur Recovery Unit in Mangalore, Karnataka

We entered into a contract with MRPL on August 24, 2009 to provide EPC services in relation to setting up a Sulphur Recovery Unit ("SRU") unit at Mangalore. This contract is an OBE contract convertible to an LSTK contract. Under this contract, we provide detailed engineering, procurement, construction, supply, construction, installation, testing, commissioning and design services.

Mangalore Refineries Petrochemicals Limited – EPC Services for a Poly Propylene Unit in Mangalore, Karnataka

We entered into a contract with MRPL on November 2, 2009 to provide EPC services in relation to setting up a poly propylene unit ("PPU") unit at Mangalore. This contract is an OBE contract convertible to an LSTK contract. Under this contract, we provide detailed engineering, procurement, construction, supply, construction, installation, testing, commissioning and design services.

HPCL-Mittal Energy Limited – EPCM services for the Guru Gobind Singh Refinery Project ("GGSRP") at Bhatinda, Punjab

We entered into a contract with HMEL dated June 24, 2008. Under this contract, we provide EPCM services in relation to the design and construction of the Guru Gobind Singh Refinery Project having a crude processing capacity of 9 MMTPA. We provide our services on a lump sum basis.

ONGC Petro Additions Limited – PMC Services for a Petrochemical Complex at Dahej

We entered into a contract with ONGC Petro Additions Limited on January 19, 2009 to provide PMC services for a grassroots petrochemical complex at Dahej.

Contractual obligations

The following table sets forth certain information relating to future payments due under known contractual commitments as of March 31, 2010, aggregated by type of contractual obligation:

(Rs. Millions)

Particulars	Outstanding as of March 31, 2010	Payment due by March 31,			
		2011	2012	2013	2014 onwards
Long-term debt obligation	-	-	-	-	-
Capital Lease Obligations	-	-	-	-	-
Operating Lease Obligations	-	-	-	-	-
Purchase Obligations*	19,586.9	16,294.0	3,236.9	52.7	3.3
Other long-term liabilities	-	-	-	-	-
Total	**19,586.9**	**16,294.0**	**3,236.9**	**52.7**	**3.3**

** Comprises purchase obligations to the extent not paid or provided for*

Contingent Liabilities

Contingent liabilities as of March 31, 2010 included the following:

Particulars	Amount *(Rs. in millions)*
Guarantees provided by banks	4,184.9
Letters of Credit issued by banks	1,300.6
Claims against the Company not acknowledged as debt	707.6
Capital commitments not provided for	559.0

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with unconsolidated entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

Qualitative disclosure about market risks

Market risk is the risk of loss of future earnings, to fair values or to future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the foreign currency exchange rates, interest rates, and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and payables.

Foreign currency risk

We may enter into contracts that subject us to currency risk exposure, particularly because revenues from these contracts may be denominated in a currency different than the principal costs, which are incurred in principally in Indian Rupees. We may not enter into derivative instruments or hedging arrangements against foreign currency fluctuations. In the event of significant fluctuations between these foreign currencies and the Indian Rupee, our foreign currency risk exposure could limit our ability to realize profits from some of our international contracts.

Known Trends or Uncertainties

Other than as described in this RHP, particularly in the sections "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page xii and page 161, respectively, to our knowledge, there are no trends or uncertainties that have or had or are expected to have a material adverse impact on our income from continuing operations.

Seasonality of Business

We do not believe our business to be seasonal. However, because a portion of our revenue is generated from large projects, our results of operations can fluctuate from quarter to quarter and year to year depending on whether and when project awards occur and the commencement and progress of work under awarded contracts.

Future Relationship between Costs and Income

Other than as described elsewhere in this section "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", and in the section "*Risk Factors*" on page 161 and xii, to our knowledge, there are no known factors which will have a material adverse impact on our operations and finances.

Significant Dependence on a Single or Few Customers

In our Lumpsum Turnkey Projects segment, total income from a single client frequently contributes a significant portion of our segment income. This is due in part to the fact that most turnkey projects are high value with considerable amount of pass-through costs included in the computation of our segment income, as well as because revenues on these projects depend on the stage of completion they are in. In contrast, in the Consultancy and Engineering Services segment, it is uncommon for a client to contribute 15% or more of total income in the Consultancy and Engineering Services segment in any given fiscal year. However, we may from time to time perform a number of engineering consultancy projects for a single client in the same fiscal year, which may cause total income from that client to exceed 15% of our total income in the Consultancy and Engineering Services segment.

Related Party Transactions

For details on related party transactions, please refer to the statement of consolidated related party transactions contained in Annexure XVI to our restated consolidated financial statements.

Competitive Conditions

We operate in competitive markets. In the hydrocarbon sector, we compete against U.S., European, Japanese and Korean engineering and construction companies or their regional operating entities as well other regional engineering and construction companies, including those in India. In the mining and metallurgy sector and in the infrastructure sector, our competitors include various Indian engineering and construction companies. Some of our competitors have greater financial and other resources and better access to capital than we do, which may enable them to compete more effectively for large-scale project awards. Intense competition is expected to continue in these markets, presenting us with challenges in our ability to maintain growth rates and profit margins. For further details regarding our competitive conditions and our competitors, see the sections "Risk Factors" and "Business" on pages xii and 99, respectively.

Recent Accounting Pronouncements

There are no recent accounting pronouncements that are expected to impact our accounting policies or the manner of our financial reporting. However, the Institute of Chartered Accountants of India has announced a road map for the adoption of, and convergence of Indian GAAP with, IFRS, pursuant to which all public companies in India, such as us, will be required to prepare their annual and interim financial statements under IFRS beginning with financial year commencing April 1, 2011. Because there is lack of clarity on the adoption of and convergence with IFRS and there is not yet a body of established practice on which to draw in forming judgments regarding its implementation and application, we have not determined with any degree of certainty the impact that such adoption will have on our financial reporting.

Significant developments after March 31, 2010 that may affect our future results of operations

Except as stated in this RHP, to our knowledge no circumstances have arisen since the date of the last financial statements as disclosed in this RHP which materially and adversely affect or are likely to affect, the operations or profitability of our Company, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

Except as stated in this RHP, there is no development subsequent to March 31, 2010 that we believe is expected to have a material impact on the reserves, profits, earnings per share and book value of our Company.

FINANCIAL INDEBTEDNESS

As of the date of this Red Herring Prospectus our Company does not have any outstanding secured borrowings. However, our Company has availed of certain non-fund based facilities which consist of letters of credit, bank guarantees, forward sale contracts, forward cover to cover LC imports, letter of guarantee, cheques/ drafts purchase and cheque purchase. As of March 31, 2010, our Company had availed/drawn down an aggregate Rs. 5,324.52 million against the Rs. 12,900.00 million sanctioned by Corporation Bank, Indian Overseas Bank, Vijaya Bank and State Bank of India. The interest rates where applicable are as per the respective bank's prime lending rates and the commissions range from 0.10 to 0.38% p.a. which are either charged monthly or annually upfront at the beginning of the year. These facilities are generally secured by hypothecation of stocks/ book debts, present and future current assets of our Company and in certain cases of cheque/drafts purchase and letters of credit being availed the security also includes the negotiable instruments purchased and the documents of title to goods, respectively. Certain key terms of these facilities are as follows:

1. The bank has the right to amend, alter the terms and conditions or withdraw all or any of the credit limits sanctioned at any time at its discretion without assigning any reasons.
2. The bank has the right to recall any part or all of the facility in the event the loan is not utilized for the specific purpose, non-compliance with terms and conditions of the sanction, drawing beyond the sanctioned limits, issuing cheques other than for purposes agreed upon etc.
3. Overdue (penal) interest to be levied at 2% p.a. on the amount due in case of facilities being overdrawn/limits being exceeded and/or delay/non-submission of stock statement.
4. Our Company has agreed to immediately intimate the bank in writing of any changes in the constitution (conversion from private limited to public limited etc.) or changes in constitution/ directors, proposals for merger/takeover in relation to which the bank has the right to reject such alteration, until such rejection has the right to suspend the limits and in case of rejection has the right to recall/withdraw the facilities.
5. Our Company cannot without the prior approval of the State Bank of India:
    a. Effect any change in our capital structure;
    b. Formulate any scheme of amalgamation or reconstruction;
    c. Undertake any new project, implement any new scheme of expansion or acquire fixed assets except those indicated in the funds flow statement submitted to and approved by the bank from time to time;
    d. Invest by way of share capital in or lend or advance funds to or place deposits with any other concern (including group companies), normal trade credit or security deposits in the normal course business or advances to employees can, however, be extended;
    e. Enter into borrowing arrangement either secured or unsecured with any other bank, financial institution, company or otherwise or accept deposits apart from the arrangement indicated in the funds flow statements submitted to and approved by the bank from time to time;
    f. Undertake any guarantee obligation on behalf of any other company;
    g. Declare dividends for any year out of the profits relating to that year or of the previous years including where repayment obligations have been unmet;
    h. Create any charge, lien or encumbrance over its undertaking in favour of any financial institution, bank, company, firm or persons;
    i. Sell, assign, mortgage or otherwise dispose off any of the fixed assets charged to the bank;
    j. Enter into any contractual obligation of a long-term nature or affecting the company financially to a significant extent;
    k. Change the practice with regard to remuneration of directors by means of ordinary remuneration or commission, scale of sitting fees etc.;
    l. Permit any transfer of the controlling interest or make any drastic change in the management set-up;
    m. Repay monies brought in by the promoters/ directors.
6. In addition to which the State Bank of India has the right to appoint a nominee director on the Board of our Company.

In addition to which, our Company has sought issuance of bank guarantees to comply with various requirements under its ongoing projects aggregating Rs. 129.60 million and Rs. 6.05 million from Union Bank of India and Bank of Baroda – Abu Dhabi, respectively.

STOCK MARKET DATA FOR EQUITY SHARES OF OUR COMPANY

Our Equity Shares are listed on the Stock Exchanges. As our Equity Shares are actively traded on the Stock Exchanges, our Company's stock market data have been given separately for each of these Stock Exchanges, which is based on the closing prices on each of the Stock Exchanges.

The high and low closing prices recorded on the Stock Exchanges for the preceding three years and the number of Equity Shares traded on the days the high and low prices were recorded are stated below.

BSE

Year ending March 31	High (Rs.)	Date of High	Volume on date of high (no. of shares)	Low (Rs.)	Date of Low	Volume on date of low (no. of shares)	Average price for the year (Rs.)*
2008	1,314.40	Wednesday, January 09, 2008	50,024	435.00	Monday, April 02, 2007	1,356	650.69
2009	725.90	Monday, April 21, 2008	1,200	300.00	Monday, October 27, 2008	3,065	521.17
2010	2,599.00	Thursday, March 25, 2010	214,406	508.05	Thursday, April 02, 2009	6,221	1290.20

Source: www.bseindia.com

NSE

Year ending March 31	High (Rs.)	Date of High	Volume on date of high (no. of shares)	Low (Rs.)	Date of Low	Volume on date of low (no. of shares)	Average price for the year (Rs.)*
2008	1,284.00	Wednesday, January 9, 2008	48,153	424.00	Tuesday, April 10, 2007	1,689	651.06
2009	726.00	Monday, April 21, 2008	9,335	300.00	Monday, October 27, 2008	4,788	521.76
2010	2599.75	Thursday, March 25, 2010	390,565	510.00	Thursday, April 02, 2009	9,618	1,290.23

Source: www.nseindia.com

* Arithmetic average of closing prices of all trading days during the said period

The details relating to the high and low prices recorded on the Stock Exchanges for the six months preceding the date of filing of this Red Herring Prospectus, the volume of Equity Shares traded on the days the high and low prices were recorded, average price of our Equity Shares during each such month, the volume of Equity Shares traded during each month and the average number of Equity Shares traded during such trading days, are stated below:

BSE

Month	High (Rs.)	Date of High	Volume on date of high (no. of shares)	Low (Rs.)	Date of Low	Volume on date of low (no. of shares)	Average price for the month (Rs.)*	Volume (no. of shares)	No. of Trading Days	Average no. of shares traded during trading days
Jan 2010	2,408.00	Monday, January 18, 2010	869,162	1,531.60	Thursday, January 07, 2010	6,288	1,901.98	2,111,560	19	111,135
Feb 2010	2,194.00	Monday, February 01, 2010	45,350	1,844.45	Thursday, February 25, 2010	30,231	2,034.83	444,488	20	22,224
March 2010	2,599.00	Thursday, March 25, 2010	214,406	1,935.30	Tuesday, March 02, 2010	7,954	2,251.05	1,234,926	21	58,806
April 2010	2,523.95	Thursday, April 22, 2010	41,564	2,206.00	Thursday, April 01, 2010	16,137	2,366.55	42,8845	20	21,442
May 1, 2010 to May 5, 2010	2,500.00	Monday, May 03, 2010	21,775	2,257.10	Wednesday, May 05, 2010	45,667	2,358.57	99,663	3	33,221
Post Split & Bonus Issue										
May 6, 2010 to May 31, 2010	538.00	Friday, May 07, 2010	2,985,268	311.10	Tuesday, May 25, 2010	233,211	387.55	12,529,867	18	696,104
June 2010	354.95	Tuesday, June 01, 2010	1,096,332	310.00	Wednesday, June 30, 2010	173,548	320.76	4,868,336	22	221,288

Source: www.bseindia.com
* Arithmetic average of closing prices of all trading days during the said period

NSE

Month	High (Rs.)	Date of High	Volume on date of high (no. of shares)	Low (Rs.)	Date of Low	Volume on date of low (no. of shares)	Average price for the month (Rs.)*	Volume (no. of shares)	No. of Trading Days	Average no. of shares traded during trading days
Jan 2010	2,395.55	Monday, January 18, 2010	1,473,872	1,537.20	Thursday, January 07, 2010	12,270	1,901.67	3,906,856	19	205,624
Feb 2010	2,192.00	Monday, February 01, 2010	80,874	1,830.50	Thursday, February 25, 2010	90,965.00	2,033.70	866,959	20	43,348
March 2010	2,599.75	Thursday, March 25, 2010	390,565	1,811.00	Wednesday, March 03, 2010	112,862	2,249.16	2,374,627	21	113,077
April 2010	2,735.00	Thursday, April 15, 2010	28,818	2,200.10	Wednesday, April 07, 2010	66,184	2,368.45	877,107	20	43,855
May 1, 2010 to May 5, 2010	2,486.00	Monday, May 03, 2010	46,161	2,256.00	Wednesday, May 5, 2010	93,688	2,360.00	211,064	3	70,355
Post Split & Bonus Issue										
May 6, 2010 to May 31, 2010	538.00	Friday, May 07, 2010	5,089,295	311.50	Tuesday, May 25, 2010	522,930	387.33	23,109,315	18	1,283,851
June 2010	354.50	Tuesday, June 01, 2010	2,020,995	310.05	Wednesday, June 30, 2010	395,766	321.03	9,816,655	22	446,212

Source: www.nseindia.com
*Arithmetic average of closing prices of all trading days during the said period

The closing price was Rs. 315.80 on BSE on June 11, 2010, the trading day immediately following the day on which GoI approved the Offer.

The closing price was Rs. 315.40 on NSE on June 11, 2010, the trading day immediately following the day on which the GoI approved the Offer.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below, there is no outstanding material litigation, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, and there are no material defaults, non payment of statutory dues, over-dues to banks or financial institutions, defaults against banks or financial institutions, defaults in dues payable to holders of any debenture, bonds or fixed deposits or arrears of preference shares issued by our Company, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, the Subsidiaries or Directors, that may have a material adverse effect on our unconsolidated financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.

Neither our Company nor our Subsidiaries or Directors have been declared as wilful defaulters by the RBI or any other Governmental authority. Except as stated below there are no violations of securities laws committed by our Company, our Subsidiaries or our directors in the past or pending against them.

I. Contingent Liabilities of our Company as of March 31, 2010:

Our contingent liabilities not provided for as of March 31, 2010 (as disclosed in our restated financial statements) include:

Statement of Standalone Contingent Liabilities:

(In Rs. Million)

Particulars	Fiscal 2010	Fiscal 2009	Fiscal 2008
Commercial claims against the Company not acknowledged as debt: pending in the courts or lying with arbitrators	707.57	17.23	72.04
Estimated Amount of contracts remaining to be executed on capital account (net of advances) and not provided for	558.95	28.84	35.29
Income Tax	28.03	33.12	52.65
Service Tax	34.90	7.05	0.60
Guarantees issued by banks and outstanding	4,159.59	5,225.31	4,942.31
Letter of credit	1,300.58	522.15	73.34
Uncalled liability on partly paid shares of of TEIL Projects Limited, a joint venture company	30.00	40.30	0.00

Statement of Consolidated Contingent Liabilities:

(In Rs. Million)

Particulars	Fiscal 2010	Fiscal 2009	Fiscal 2008
Commercial claims against the Company not acknowledged as debt: claims pending in the courts or lying with arbitrators	707.57	17.23	72.04
Estimated Amount of contracts remaining to be executed on capital account (net of advances) and not provided for	558.96	28.84	35.29
Income Tax	29.05	33.23	52.76
Service Tax	57.64	7.04	0.60
Guarantees issued by banks and outstanding	4,184.85	5,251.35	4,963.03
Letter of credit	1,300.58	522.15	73.34

If any of these contingent liabilities materialize, the value of our capital works in progress and profitability could be adversely affected.

A. Outstanding Litigation Involving our Company

Cases filed against our Company

Proceedings Initiated by SEBI

1. Our Company received a letter from SEBI (CFD/DCR/RC/TO/20949/04) dated September 20, 2004 in relation to violations in certain years of provisions of the Takeover Code as detailed below:

   a. For the year 1997, violation of Regulations 6(2) and 6(4) of the Takeover Code i.e. non-disclosure (within three months from the date of notification of the Takeover Code) of the aggregate holding of each person who held more than 5% equity shares or voting rights in our Company and non-disclosure of details of promoters and persons in control to the BSE, the NSE and the Delhi Stock Exchange;
   b. For the years 1998, 1999, 2000 and 2001, violation of Regulation 8(3) i.e. non-disclosure (within 30 days of the financial year ending March 31) the number and percentage of voting rights held by promoters, persons in control and persons holding more than 15% of the equity shares or voting rights of our Company to the BSE and the NSE and additionally the Delhi Stock Exchange for the years 2000 and 2001; and
   c. For the years 1999, 2000, 2001 and 2002, Regulation 8(3) i.e. non-disclosure (within 30 days of the record date of our Company for the purposes of declaration of dividend) the number and percentage of voting rights held by a promoter, persons in control and persons holding more than 15% of the equity shares or voting rights of our Company to the BSE and the NSE and additionally the Delhi Stock Exchange for the years 2000, 2001 and 2002).

   In connection with the above violations, the letter specified that an adjudicating officer had been appointed and that further the SEBI had decided to consider a request for consent order in the event our Company was willing to pay an amount of Rs. 250,000 as penalty. The letter further specified that our Company was to reply within 30 days of receipt of the letter, failing which SEBI's proposal for issuance of a consent order would be withdrawn.

Civil Suits

1. Maharani Guest House Private Limited ("**MGHPL**") filed a civil suit (no. 1377 of 2002) against our Company dated August 8, 2002 before the High Court of Delhi praying for an amount of Rs. 2,059,358 along with interests as costs towards the luxury tax amount that MGHPL paid in relation to the guest house that was licensed to our Company for its exclusive use as per license agreements dated January 14, 1995 and April 22, 1998. In the suit, MGHPL alleged that though it was our Company's responsibility, our Company failed to pay for the taxes on bills issued to MGHPL with regard to the room rent, water, electricity, telephone and others facilities since November 1, 1996. Our Company filed a written statement cum counter claim dated December 5, 2002 and the matter is currently pending for filing of evidence by MGHPL. The next date of hearing is scheduled to be on August 12, 2010.

2. Mr. Rajesh Manikrao Humaney filed a writ petition (no. 1566 of 2010) dated February 20, 2010 against our Company, before the High Court of Bombay, alleging that the denial of promotion to Mr. Humaney from level 15 to 16 was arbitrary, illegal and malafide. He prayed for an appropriate writ to the effect that he is entitled to promotion with retrospective effect from 2002, back wages, further promotion from 2007 and any other applicable perquisites and benefits. Our Company filed a reply to the petition on April 28, 2010 denying all claims put forth. The matter is currently pending.

3. Mr. Balbir Singh filed a civil suit (no. 161 of 2007) dated November 6, 2007 against our Company, Chief Medical Officer cum District Registrar Births and Deaths, Kangra at Dharamshala and others, before the Court of Civil Judge (Junior. Division) Indora, District Kangra, Himachal Pradesh, alleging that the other defendants had wrongly recorded his date of birth. He prayed that our Company may be directed to change the date in the service record. Our Company was exempted from attending the proceedings, as we had no authority to amend the date of birth recorded. However, we await the copy of the order of the Court to this effect and the matter is currently pending.

4. Mr. Banshi Lal initially filed a demand notice dated December 1, 1997, against our Company, before the Industrial Tribunal Panipat, alleging unfair labour practice and illegal termination and asking that he be reinstated in our Company. The Tribunal by its order dated May 27, 2003 directed that Mr. Banshi be reinstated following which our Company filed a writ petition (W.P. no. 9940 of 2003) before the High Court of Punjab and Haryana which by its order dated July 4, 2003 granted a stay on the operation of the operation of the said order. The matter is currently pending.

5. Mr. Banshi Lal filed a civil writ petition (C.W.P. no. 2442 of 2006) against the Presiding Officer, Industrial Tribunal-cum-Labour Court, Panipat, in the High Court of Punjab and Haryana, Chandigarh and our Company, alleging that the date of his initial demand notice was changed on transfer of the forum. As no action had been taken to correct the date, he prayed for a writ of mandamus to correct the same. Our Company filed a written statement dated October 27, 2006 in this regard. The matter is currently pending.

6. Mr. Banshi Lal filed a civil original contempt petition (no. 1001 of 2006) dated July 9, 2006 before the Punjab and Haryana High Court, Chandigarh, under Section 12 of the Contempt of Courts Act, 1971 against Mr. A.K. Vanaik, in his capacity as the Deputy General Manager (Personnel) of our Company. Mr. Vanaik has since then been superannuated and is no longer on the rolls of our Company. In the petition Mr. Lal alleged that our Company failed to comply with the order of the Punjab and Haryana High Court, Chandigarh, dated July 4, 2003 whereby the award of reinstatement and payment of back wages awarded to Mr. Banshi Lal by the Labour Court, Panipat had been stayed and our Company had been directed to continue make payments under Section 17B of the Industrial Disputes Act, 1947. Accordingly, Mr. Lal sought adequate punishment to be imposed on our Company for failure to make the requisite payments. Our Company has filed its written statement dated October 10, 2006 and the matter is currently pending.

7. Mr. S. Paul filed a writ petition (W.P. no. 821 of 1997) dated February 3, 1997 against our Company before the High Court of Delhi alleging that the decision of our Company to calculate the amount due to him on his resignation on the basis of a Central Dearness Allowance pattern of pay-scales was wholly illegal and contrary to the policy decision taken by the High Power Pay Committee. In this regard, he prayed for a writ of appropriate nature directing our Company to switch his pay scales as requested and calculate the payment due on the basis of the Industrial Dearness Allowance as per Central Government DPE Guidelines. Our Company filed its counter affidavit dated September 9, 1997 and the matter is currently pending.

8. Mr. A.P. Verma and others filed a writ petition (W.P. no. 3125 of 2003) dated May 6, 2003, against our Company, before the High Court of Delhi, alleging illegal and arbitrary action by our Company's continued refusal in giving Industrial Dearness Allowance pattern of pay-scales, with effect from a previous date. They have prayed for a writ for certiorari directing our Company to switch their pay scales and calculate the payment due on the basis of the Industrial Dearness Allowance with effect from a previous date and/ or on a prospective basis. Our Company has filed its counter affidavit dated October 17, 2003 and the matter is currently pending.

9. Mr. D. Benoni filed a writ petition (no. 28385 of 2003) dated September 1, 2003, against our Company and others, before the High Court of Kerala, praying for a declaration that he is entitled to get all retirement benefits, including *ex gratia* monetary benefits under the voluntary retirement scheme which our Company allegedly declined paying him despite his alleged eligibility to receive the same. Our Company filed its counter affidavit dated October 15, 2003 and the matter is currently pending.

10. Ms. Jasvinder Kaur Oberoi filed a writ petition (C.W.P. No. 8377 of 2003) dated November 28, 2003, against the Chairman & Managing Director of our Company and the Union of India, before the High Court of Delhi, alleging that our Company had arbitrarily enforced a cut-off date in extending the benefit of a certain welfare scheme and was denying the benefits of such a scheme to the spouses of those employees who had passed away in service before the

introduction of the scheme. In this regard, Ms. Oberoi prayed for extension of medical coverage and grant of interest on arrears accruing on the pending amount of medical reimbursement. Our Company has filed its counter affidavit dated April 15, 2004. The matter is currently pending and the next date of hearing is scheduled to be on August 5, 2010.

11. Mr. Mohan Mokal filed an application (Application No. LC-2/431 of 2000) dated December 21, 2000, against the General Manager of our Company, M.V.R. Constructions and Gas Authority of India Limited, before the Central Government Labour Court, Mumbai alleging non -payment of overtime wages, leave salary, bonus and other entitlements. Mr. Mokal has claimed an amount of Rs. 56,080 as wages, overtime wages, leave salary and bonus, along with interest. In this regard, our Company filed a rejoinder dated March 15, 2002 to the written statement filed by another respondent to the case and the matter is currently pending.

12. Gujarat Lease Financing Limited filed a writ petition in November 1996 against our Company and Union of India before the High Court of Delhi alleging delay in allotment of shares to them in relation to the disinvestment of our Company and praying for a refund of Rs. 155,875,000. Further, Gujarat Lease Financing Limited also made an interim application seeking the restraint of any further action with respect to the above mentioned disinvestment of shares of our Company along with refund of the amount sought amounting to Rs. 155,000,000 with interest. The Delhi High Court granted a stay order in the matter and the matter is currently pending.

13. 20 cases have been filed by various individuals (including contract labourers) and are currently pending against our Company before different labour disputes forums and High Courts in India. In their petitions, the individuals mainly allege illegal termination of their services by our Company, *inter alia* praying for continuity and reinstatement of their services with back wages and other consequential benefits and costs.

Consumer Complaints

14. Mr. S.S. Reen filed two consumer complaints (no. 243/OFT and no. 21/OFT) dated August 3, 2009 and April 22, 2010, before the Divisional Consumer Forum of Jammu, with the former naming our Company as the sole opposite party and the latter including our Company along with Gas Authority of India Limited, respectively. In the former, Mr. Reen alleged wrongful termination and withholding of monthly salary and claimed all entitlements along with interest and compensation for delay, mental suffering and wrongful termination amounting to Rs. 1,900,000. In the latter, Mr. Reen alleged non-payment of special allowances and wrongful termination and claimed all entitlements owed to him from the HBJ Pipeline Project of the Gas Authority of India Limited along with interest and compensation. The Consumer Forum passed an oral direction clubbing both complaints and ordering Gas Authority of India Limited to file its replies in this regard. The matter is currently pending and the next date of hearing is scheduled to be on August 2, 2010.

Arbitration Proceedings

15. Haldia Petrochemicals Limited ("**HPL**") filed a claim dated May 15, 2004, against our Company before an arbitral tribunal claiming an amount of Rs. 5,640,703,904 as damages for allegedly defective engineering, procurement and construction management services, provided by our Company in the HPL integrated offsite project facility. In relation to the matter our Company filed a written statement dated May 15, 2004 denying all charges *inter alia* stating that under Section 23 of the special conditions of the contract dated December 12, 1995 our Company's maximum cumulative liability would be limited to five per cent of the remuneration received by our Company against man hours/man months expended. As per the directions of the Tribunal dated November 26, 2006 matter stands in abeyance pending completion of proceedings in the claim filed by our Company dated October 11, 2002. For details of this claim see "*– Cases Filed by our Company – Arbitration Proceedings – No. 1*" below on page 192.

16. J Ray Mc Dermott Middle East Inc. ("**JRMMEI**") filed a claim in August 2007 against our Company before an arbitral tribunal claiming an amount of US$ 3,616,979 along with interest

for alleged non release of retention moneys furnished in lieu of bank guarantee by our Company in relation to the procurement and fabrication work done by JRMMEI on an Oil and Natural Gas Corporation Limited ("**ONGC**") project that was sub-contracted to it by our Company. In a separate claim before the arbitral tribunal relating to the same facts, J Ray Mc Dermott Eastern Hemisphere Limited ("**JRMEHL**") also claimed an amount of US$ 9,030,054 and interests as well as costs against our Company which was allegedly not released by our Company in relation to work performed in respect of transportation, installation and commissioning. Thereafter our Company filed a counter claim dated April 17, 2008 against both JRMMEI and JRMEHL before the same arbitral tribunal for a total amount of Rs. 623,450,229 along with interests and costs, towards settlement of customs duty which JRMMEI and JRMEHL had allegedly failed to pay in relation to the ONGC project. Final arguments in the matter have been concluded and the award is currently awaited.

17. Sime Darby Engineering SDN. BHD ("**SDE**") filed a claim dated September 11, 2009, against our Company before a sole arbitrator claiming an amount of US$ 18,447,900.39 along with interests and costs as damages for additional expenditure incurred by it due to the alleged delay in the project caused by the change in the procedure for execution of the D1 well cum water injection platform project ("**Project**") of ONGC by our Company. Thereafter our Company filed a counter claim against SDE on November 23, 2009 before the sole arbitrator claiming an amount of US$ 984,029.40 along with interests and costs as liquidated damages as per the contract dated December 14, 2004, for alleged delay in execution of the Project by SDE. The matter is currently pending and the next date of hearing is scheduled to be on August 30, 2010.

18. Blue Star Limited filed a claim dated filed on November 28, 1992 against our Company before an arbitral tribunal for Rs. 133,740 along with interest, alleging delay in relation to a contract regarding supply, installation and commissioning of air-conditioning system and chilling unit for a research and development centre at Gurgaon. Our Company filed a counter claim dated February 3, 1993 claiming an amount of Rs. 1,234,860 before the arbitral tribunal. The matter is currently pending.

Service Tax Cases

1. The Commissioner of Service Tax, New Delhi has filed an appeal (No.ST/181/2010-CU(DB)) against our Company dated February 8, 2010 before the CESTAT, New Delhi against an order of the Commissioner of Appeals dated November 6, 2009 allowing our Company's claim for refund amounting to Rs. 28,450,464 for the period 2002-2003 against deposit of service tax on one of our Company's ONGC projects. The matter is currently pending before the CESTAT and the next date of hearing is scheduled to be on September 4, 2010.

2. The Additional Commissioner of Service Tax Commissionerate, New Delhi by its order dated May 30, 2008 levied an amount of Rs. 660,688 as service tax on our Company stating that the out of pocket reimbursements received by our Company in the month of February 1998 for various projects was in the nature of consideration for "consulting engineer services" and hence liable to service tax. Against this or der our Company filed an appeal (113-Appeal/S-Tax/ADC/Delhi-I/08) dated September 8, 2008 before the Commissioner of Central Excise (Appeals) (the "**CCE**") under Section 85 of the Finance Act, 1994 (the "**1994 Act**"). Final arguments in the matter have been concluded and the award is currently awaited.

3. Our Company preferred an appeal (169-Appeal/S-Tax/ADC/Delhi-I/09) dated May 15, 2009 before the CCE under Section 85 of the 1994 Act praying for setting aside the service tax of Rs. 3,143,143 and penalty amount of Rs. 3,143,143 and Rs. 1,000 under Sections 78 and 77 of the 1994 Act respectively by the ACSTC, New Delhi vide order dated February 9, 2009 holding that the out of pocket reimbursements received by our Company between the period of April 1, 2002 and April 17, 2006, with regard to various projects was in the nature of consideration for "consulting engineer services" and hence liable to service tax. Our Company also filed a stay application before the CCE, New Delhi, praying for a waiver of the pre-deposit under Section 35F of the Central Excise Act 1944 read with Section 83 of the 1994 Act. Final arguments in the matter have been concluded and the award is now currently awaited.

4. Our Company filed an appeal dated March 12, 2010 before the CCE, Kolkata against the order dated December 14, 2009, of the Deputy Commissioner, service tax division, Kolkata relating to the period between November 1997 to February 1998, rejecting our Company's refund claim of Rs. 217,780 in relation to our Company's out of pocket expenses with regard to contracts with Haldia Petrochemicals and National Aluminum Company Limited. The matter is currently pending.

Entry Tax Cases

5. Our Company filed a second appeal (No.211/08) dated July 8, 2008 before the Commercial Tax Tribunal, Uttar Pradesh, Agra Bench against the order dated February 28, 2008, of the Joint Commissioner Appeals, Commercial Tax, Mathura passed in the first appeal which confirmed the Assistant Commissioner Trade Tax officer's decision to impose an entry tax amount of Rs. 2,004,675 on our Company for the assessment year 1999-2000 in relation to the certain goods imported by our Company for the offsite modernization work at the Mathura Refinery Matnura. Simultaneously, our Company filed for a stay on the order passed in the first appeal dated May 10, 2007. Vide order dated June 29, 2007, the Trade Tax officer, Mathura granted a stay on 80 per cent of the disputed amount after our Company deposited an amount of Rs. 401,000. Our Company also filed a stay application in July, 2008 before the Commercial Trade Tax Tribunal, Agra bench, to stay the realization of the disputed tax amount till the disposal of the second appeal. Vide order dated July 8, 2008 the Commercial Tax Tribunal Bench, Agra directed a stay of 75% for the assessment year 1999-2000 and in compliance with the stay order, our Company deposited an additional amount of Rs. 100,235. The matter is currently pending.

Income Tax Cases

1. The IT Department filed an appeal (I.T.A. No. 1122(Del)/2006) dated June 7, 2006 before the ITAT, New Delhi against the order dated January 13, 2006, of the CIT (A) on the ground that for the assessment year 2002-2003, CIT(A) had erred in deleting disallowances of Rs 57,205,364 to our Company under Section 14A of the IT Act under expenses related to dividend and tax free interest income. The ITAT dismissed the Department's appeal vide order dated November 22, 2007 due to non receipt of the Committee on Disputes (the "**CoD**") approval. Thereafter CoD accorded its approval in the meeting held on March 31, 2009 for the Department to pursue the case before the ITAT. The matter is currently pending.

2. The Department filed an appeal (I.T.A. No. 3943/Del/2007) dated October 24, 2007 before the ITAT, New Delhi, against the order of the CIT(A) dated July 18, 2007 on the ground that for the assessment year 2004-2005, CIT(A) had erred in giving allowance of foreign exchange fluctuation loss of Rs. 21,204,621 to our Company. The ITAT dismissed the Department's appeal filed by its order dated April 21, 2008 due to non receipt of CoD approval. Thereafter CoD accorded its approval in the meeting held on July 22, 2008 for the Department to pursue the case before the ITAT. The matter is currently pending.

3. Our Company has filed an appeal (68/09-10) dated October 28, 2009 before the CIT(A), New Delhi, against the order of assessing officer dated August 25, 2009 for the assessment year 2004-2005, under Sections 147/143(3) of the IT Act, disallowing a total amount of Rs. 67,796,152 (on account of prior period expenses Rs. 32,546,000, on account for provision for leave salary Rs. 22,982,152 and as disallowances under Section 14A of the IT Act, Rs. 12,268,000). The matter is currently pending and the next date of hearing is July 26, 2010.

4. Our Company has filed an appeal (No. 326/08-09) dated January 29, 2009 before the CIT(A), New Delhi, against the order of assessing officer dated December 31, 2008 for the assessment year 2006-2007, under Section 143(3) of the IT Act, disallowing Rs. 6,900,000 under Section 14A read with Rule 8D of the IT Act relating to expenditure incurred for earning exempt income. Final arguments have been concluded in the matter and the order is awaited.

5. Our Company has filed an appeal (No. 372/09-10) dated January 27, 2010 before the CIT(A), New Delhi, against the order dated December 24, 2009 of the assessing officer for the

assessment year 2007-2008, under Section 143(3) of the IT Act, disallowing Rs. 6,900,000 under Section 14A read with Rule 8D of the IT Act relating to expenditure incurred for earning exempt income. The matter is currently pending and the next date of hearing is scheduled to be on July 26, 2010.

Cases Filed by our Company

Civil Suits

1. Following disputes between our Company and Guru Govind Singh Indraprastha University ("**GGSIPU**") in relation to fees and timelines under a contract dated August 17, 2005, our Company filed an application dated October 24, 2009 before the Delhi High Court under Section 9 of the Arbitration and Conciliation Act 1996, praying *inter alia* for certain interim measures including securing the alleged amount in dispute of Rs. 36,376,000 and restraining GGSIPU from allotting the work to a third party. The Delhi High Court by its order dated October 26, 2009 disposed of the petition and directed our Company to obtain permission from the CoD. On January 14, 2010, CoD granted its permission to proceed to arbitration following which an application for revival of the Section 9 petition under the Arbitration and Conciliation Act, 1996 was filed before the Delhi High Court. The next date of hearing in the matter is on July 19, 2010. Additionally thereafter our Company also filed an application dated April 12, 2010 for appointment of an arbitrator, before the Delhi High Court, under Section 11 of the Arbitration and Conciliation Act, 1996 for which the next date of hearing is scheduled to be on August 13, 2010.

2. Our Company filed a suit (No. 89971 of 2010) dated June 1, 2010 against Zoom Developers Private Limited ("**Zoom Developers**") before the Delhi High Court for recovery of Rs. 4,213,419 as professional fees for preparing a feasibility report for setting up an integrated aluminum complex in Orissa for which payment was being withheld by Zoom Developers. The matter is currently pending and the next date of hearing is scheduled to be on October 25, 2010.

3. Our Company filed a civil suit (No. 2491 of 2008), dated November 26, 2008 before the Delhi High Court, against the Engineers India Officers' Association and others, alleging that the threatened strike by the employees of our Company was illegal and unjustified. Our Company prayed for a perpetual injunction, restraining them from holding demonstrations at or near the premises of our Company and declaring the indefinite strike called by the defendants, as illegal and unjustified. Subsequently, our Company filed an interlocutory application (I.A. no. 14599/2008) before the Delhi High Court, for grant of ad-interim injunction in this regard. The Delhi High Court, vide order dated December 1, 2008, ordered that the defendants could not create any nuisance within 100 meters from the entrance of our Company's premises. The matter is currently pending and the next date of hearing is scheduled to be on September 16, 2010.

4. Mr. S.S. Reen initially filed a suit (no. 573/ITLC) against our Company before the Industrial Tribunal/Labour Court, Jammu on March 26, 1992, alleging wrongful termination and seeking reinstatement with back-wages and benefits. The Tribunal dismissed the same by its order dated March 13, 1996 stating *inter alia* that the same had not been referred to it by the appropriate authority. Mr. Reen's subsequent appeals were also not allowed ultimately resulting in a direction by the Division Bench to approach the appropriate State Government which referred the matter to the Industrial Tribunal/ Labour Court, Jammu. The Tribunal by its order dated September 3, 2004 determined that it had the requisite jurisdiction to hear the matter against which order our Company filed a writ petition (O.W.P. No. 1113 of 2004) before the Jammu and Kashmir High Court, dated October 1, 2004 pleading lack of jurisdiction and seeking stay of proceedings. The High Court by its order dated October 29, 2004 granted a stay on the proceedings and the matter is currently pending.

5. Our Company filed a special leave petition (No. 9313 of 2005) dated April 25, 2005 against Mr. A.K. Chopra in the Supreme Court of India against the decision of the Bombay High Court for quashing and setting aside the order dated September 15, 2004 passed by the High Court which reinstated Mr. Chopra with back wages and consequential benefits and continuity

of service. Mr. Chopra alleged that our Company dismissed him from the services of our Company by holding an unjust and irregular enquiry. The Supreme Court admitted the special leave and now the case has been registered as civil appeal (No. 1423 of 2007). The matter is currently pending.

6. Our Company filed a writ petition (No. 21578 of 1996) dated August 22, 1996 against Mr. Karimulla Khan before the Andhra Pradesh High Court against the decision of the second appellate authority established under the Andhra Pradesh Shops and Establishment Act, 1966 ("**1966 Act**") for quashing and setting aside the order dated October 12, 1995 whereby the second appellate authority upheld the order of the assistant labour commissioner (the competent authority under the 1966 Act) and awarded a compensation of Rs. 4,290 to Mr. Khan. Mr. Khan alleged that he was terminated from the services of our Company without being assigned any reasons for his removal and holding of proper enquiry. The Andhra Pradesh High Court granted stay on the order of the second appellate authority on October 10, 1996. The matter is currently pending.

7. Our Company filed a writ petition (No. 11901 of 2003) dated July 15, 2003 against Mr. Devender Kumar before the Punjab and Haryana High Court against the decision of the Industrial Tribunal at Gurgaon for quashing and setting aside the order dated May 20, 2003 which reinstated Mr. Devender Kumar, an office boy initially engaged on short-term contractual basis with our Company with 75% back wages and continuity of service pursuant to Mr. Devendra Kumar's allegations that our Company illegally dismissed him from service. The Punjab and Haryana High Court granted a stay on the operation of the order of the industrial tribunal only with respect to the payment of back wages on July 31, 2003. The matter is currently pending.

8. Our Company filed a writ petition (No. 17858 of 2004) dated October 29, 2004 against Mr. V. K. Mehta before the Delhi High Court against the decision of the industrial tribunal at New Delhi for quashing and setting aside the order dated July 24, 2004 passed by the industrial tribunal which reinstated Mr. Mehta, a telex operator at our Company, with back wages and continuity of services with all consequential benefits. Mr. V.K Mehta alleged that our Company had wrongfully and illegally terminated his services without giving him an opportunity to be heard by the management of our Company before the dismissal. The Delhi High Court granted stay on the operation of the order of the industrial tribunal on November 17, 2004, with a direction that our Company pay Mr. Mehta the last drawn wages by him at our Company till the final disposal of the matter in terms of Section 17B of the Industrial Dispute Act 1947. The matter is currently pending and the next date of hearing is scheduled to be on July 26, 2010.

9. Our Company filed a writ petition (No. 19412 of 2005) dated December 7, 2005 against Mr. Rajiv Kumar before the Punjab and Haryana High Court against the decision of the Industrial Tribunal at Gurgaon, for quashing and setting aside the order dated August 12, 2005 passed by the industrial tribunal which reinstated Mr. Rajiv Kumar, a clerk on a contract basis employed with our Company with full back wages and continuity of service. Mr. Rajiv Kumar alleged that our Company terminated his services without notice and payment of retrenchment compensation. The Punjab and Haryana High Court granted stay on the operation of the order of the industrial tribunal on December 20, 2005, with a direction that our Company pay Mr. Kumar the last drawn wages by him at our Company till the final disposal of the matter in terms of Sec- 17B of Industrial Dispute Act 1947. The matter is currently pending.

Arbitration Proceedings

10. Our Company filed a claim dated October 11, 2002, against Haldia Petrochemicals Limited ("**HPL**"), before an arbitral tribunal claiming an amount of Rs. 373,286,108 as outstanding dues of in relation to the engineering, procurement and construction management services provided to HPL for the integrated utilities and off sites work. On April 25, 2010 the arbitral tribunal passed an interim award in favour of our Company directing HPL to pay an amount of Rs. 40,000,000 by May 25, 2010 which was duly complied with. The matter is currently pending before the tribunal.

11. Our Company filed a claim dated April 10, 2009, against Sardar Sarovar Narmada Nigam Limited ("**SSNNL**") before the claims committee of SSNNL, claiming a total amount of Rs. 117,400,000 and interest at the rate of 18 per cent per annum, as outstanding dues in relation to the alleged non-payment of fee for third party inspection agency services provided to SSNNL by our Company for the construction of canal road in the Sardar Sarovar Narmada project. The matter is currently pending before the tribunal and the next date for hearing is scheduled to be on June 10, 2010.

12. Our Company filed a claim dated September 12, 2005, against Gujarat Chemical Port Terminal Company Limited, Vadodara ("**GCPTCL**"), claiming a total amount of Rs. 53,185,952 and interest, as outstanding dues in relation to consultancy services for project management and other services that it provided for setting up GCPTCL's chemical port terminal project at Dahej in Gujarat which GCPTCL failed to pay. Vide award dated September 20, 2007, the arbitrator awarded an amount of Rs. 25,219,291 along with interest to our Company. Thereafter GCPTCL filed an application under Section 34 of the Arbitration and Conciliation Act, 1996 for setting aside the award dated September 20, 2007 to which our Company filed a reply dated January 24, 2008 and the final order is now awaited in the matter.

13. Our Company filed an application dated September 23, 2008 under Sections 30 and 33 of the Arbitration Act, 1940 before the civil judge, senior division, Bhubaneswar, challenging the award dated August 29, 2008 passed by a sole arbitrator who awarded a sum of Rs. 5,200,000 to Mr. Syam Sundar Agarwal along with interests in relation to the dispute that arose between our Company and Mr. Agarwal as a result of a failure by our Company to make payments for bills pertaining to the deluxe bus services provided by Mr. Agarwal to our Company. The matter is currently pending and the next date of hearing is scheduled to be on August 7, 2010.

Consumer Complaints

14. Our Company filed a complaint (No. 07/182 of 2007) dated September 11, 2007, against National Insurance Company Limited ("**NICL**") and Indian Oil Corporation Limited ("**IOCL**") under Section 17 of the Consumer Protection Act, 1986, before the State Consumer Disputes Redressal Forum, New Delhi, claiming a total amount of Rs. 10,000,000 and interest, as outstanding professional liability indemnity insurance dues in relation to the consultancy services provided by our Company to IOCL which NICL was though allegedly responsible to provide insurance cover for, it failed to do so. The matter is currently pending and the next date of hearing is scheduled to be on September 24, 2010.

15. Our Company filed a consumer complaint (No.35 of 2007) against Pt. Asuransi Mitsui Sumitomo, Indonesia ("**Asuransi**") and another, dated April 17, 2007 before the National Consumer Disputes Redressal Commission at Delhi, claiming a sum of Rs. 148,062,187 and interest at the rate of 18 per cent per annum as insurance cover, for damages suffered due to allegedly defective equipments supplied by Asurani. The matter is currently pending.

B. Proceedings Initiated/ Pending against our Company for Economic Offences

There are no proceedings pending against our Company for any economic offences.

C. Details of Past Penalties Imposed on our Company

Except as stated below, there are no past penalties imposed on our Company.

The Joint Commissioner of Customs issued a show cause notice (F. No. SG/INF-01/DC/2004) dated June 6, 2006 against our Company, Mr. M.K. Dalal (the then Chairman and Managing Director), Mr. H.K. Kaul (then Director, Commercial), Mr. D.K. Gupta (the then General Manager, Marketing) and others, for under valuation and mis-classification of platforms meant for N-11and N-12 project of the Oil and Natural Gas Corporation. Our Company filed an application dated August 24, 2007 under Section 127(B)(1) of the Customs Act, 1962 for non-prosecution and settlement of the matter for a sum of Rs. 374,050,660.30. The settlement commission vide its order (Final Order No. F-778/Cus/08-SCCPBI) dated February 28, 2008 waived prosecution and settled the duty for Rs. 569,700,000. The commission also imposed a penalty of Rs. 1,000,000 on our Company and Rs. 10,000 each on Mr. M.K. Dalal, Mr. H.K. Kaul, and Mr. D.K. Gupta which was duly paid.

D. Potential Litigation/ Notices Received

There are no potential litigations or notices received by our Company.

E. Material Developments since the Last Balance Sheet Date

Except as disclosed in "Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant developments after March 31, 2010 that may affect our future results of operations" on page 179, in the opinion of our Board, there have not arisen, since the date of the last financial statements disclosed in this Red Herring Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of our total assets or ability to pay our material liabilities within the next 12 months.

F. Outstanding Dues to Small Scale Undertakings or Any Other Creditors

As per notes to accounts of the stand alone financials our Company as at March 31, 2010, the Company has no information about the status of registration of the enterprises registered under the Micro, Small and Medium Enterprises Act, 2006 and hence the information in relation to the same has not been incorporated.

G. Cases Against other Companies whose Outcome could have an Effect on our Company.

There are no cases against other Companies whose outcome could have an effect on our Company.

I. Outstanding Litigation/ Proceedings involving the Subsidiaries

A. Litigation Involving our Subsidiaries

Except as mentioned below, there are no outstanding litigation/proceedings involving the Subsidiaries.

Income Tax Cases

1. CEIL has filed an appeal (107/09-10) dated November 11, 2009 before the CIT (A), New Delhi, against the order of assessing officer dated October 9, 2009 for the assessment year 2002-2003, under Sections 147/143(3) of the IT Act, disallowing a total amount of Rs. 1,740,150 on account of unpaid service tax. The matter is currently pending before the CIT(A) and the next date of hearing is June 17, 2010.

2. CEIL has filed an application under Section 154 of the IT Act for rectification of mistake apparent from record dated November 8, 2006 before the Deputy Commissioner of Income Tax, against a demand of Rs.41,824 for the assessment year 2004-2005. The matter is currently pending and next date of hearing is yet to be fixed.

Service Tax Case

The service tax department has served a show cause cum demand notice dated October 14, 2009 on CEIL for Rs.22,747,439. A reply to cause notice was submitted on November 27, 2009. The matter is currently pending and next date of hearing is yet to be fixed.

B. Proceedings Initiated against the Subsidiaries for economic offences

There are no proceedings initiated against the Subsidiaries for any economic offences.

C. Details of Past Penalties Imposed on the Subsidiaries

There are no past penalties imposed on the Subsidiaries.

II. Outstanding Litigation/Proceedings involving the Directors

A. Litigation Involving our Directors

There are no pending litigations against the Directors involving violation of statutory regulations or alleging criminal offence, there are no criminal/ civil prosecution against the Directors for any litigation towards tax liabilities and there are no defaults, non payment of statutory dues, proceedings initiated for civil offences.

B. Proceedings Initiated against the Directors for economic offences

There are no proceedings initiated against our Directors for economic offences.

C. Details of Past Penalties Imposed on the Directors

There are no past penalties imposed on any of our Directors.

D. Proceedings Initiated by SEBI

Except as stated below, there are no proceedings initiated by the SEBI against our Directors or any entity in which our Directors are involved as promoters or directors:

Mr. Arun Kumar Purwar is a director of India Infoline Limited, in relation to which the details of proceedings by SEBI is as follows:

S. No.	Particulars	Regulatory Authority	Nature of the Proceeding	Present Status
1.	SEBI adjudication notice dated September 8, 2008	SEBI	Allegation of violation of (Depositories and Participants) Regulations, 1996.	Consent order passed by SEBI on May 18, 2010 and notice was disposed off without admission of charges
2.	SEBI adjudication notice dated August 27, 2008	SEBI	Allegations of violation of provisions of (Stock Brokers and Sub-Brokers) Regulations, 1992.	Consent order passed by SEBI on May 18, 2010 and notice was disposed off without admission of charges
3.	SEBI adjudication notice dated November 27, 2009	SEBI	Allegations of violations of provisions of SEBI (Prohibition of Fraudulent & Unfair Trade Practices relating to Securities Market) Regulations, 2003 in the clients dealing in GHCL shares.	Reply submitted. Proceedings under progress.
4.	SEBI enquiry notice dated March 3, 2010	SEBI	Allegations of violations of provisions of SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 in the clients dealing in the shares of Pyramid Saimira Theatre Limited.	Reply submitted. Proceedings under progress.
5.	SEBI enquiry notice dated April 27, 2010	SEBI	Allegations of violation of SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992.	Reply under submission. Proceedings under progress.

GOVERNMENT AND OTHER APPROVALS

We have received the necessary consents, licenses, permissions and approvals from GoI and various governmental agencies required for our present business and except as disclosed in this Red Herring Prospectus no further material approvals are required for carrying on our present business operations.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its existing activities.

A. Approval for the Offer

I. Approval from the GoI

The MoPNG, through its letter no. G-38011/42/2009-Fin.I dated June 10, 2010 conveyed its approval for the Offer.

II. No-objection from the Reserve Bank of India

Our Company has received a no-objection certificate dated July 5, 2010 from the RBI for the Offer for Sale.

Our Company has also obtained necessary contractual approvals required for the Offer.

B. Approvals for the Business

We require various approvals to carry on our business in India. We have received the following approvals in relation to our business:

I. *Approvals relating to the Research and Development Department*

S. No.	No./Description of Permit/Licence	Issuing Authority	Date	Term
1.	Certificate (no. HA-345) for use of a boiler under the Indian Boiler Act, 1923	Chief Inspector of Boilers, Chandigarh, Haryana	January 23, 2010	Valid until January 22, 2011
2.	Approval for continuation of appointed Radiological Safety Officer under Rule 19 of the Atomic Energy (Radiation Protection) Rules, 2004 (reference no. AERB/RSD/RSO-Ren-01/NG-NR-Gen/2007/ 10124)	Radiological Safety Division, Atomic Energy Regulatory Board	September 27, 2007	Valid until September 30, 2010
3.	Permission to install standby captive generation power plant with total capacity of 2,000 kva	Sub Divisional Officer, Gurgaon, Haryana	December 12, 2000	-
4.	Registration (no. 122001 no. 02120) of ground water abstraction structure	Central Ground Water Authority, New Delhi	December 31, 2001	-
5.	Registration (no. 122001 no. 02121) of ground water abstraction structure	Central Ground Water Authority, New Delhi	December 31, 2001	-
6.	Registration (no. 122001 no. 02122) of ground water abstraction structure	Central Ground Water Authority, New Delhi	December 31, 2001	-
7.	Registration (no. 122001 no. 02123) of ground water abstraction structure	Central Ground Water Authority, New Delhi	December 31, 2001	-
8.	Registration (no. 122001 no. 02124) of ground water abstraction structure	Central Ground Water Authority, New Delhi	December 31, 2001	-
9.	Registration (no. 122001 no. 02125) of ground water abstraction structure	Central Ground Water Authority, New Delhi	December 31, 2001	-

II. *Tax Approvals*

S. No.	No./Description of Permit/Licence	Issuing Authority	Date	Term
1.	Tax deduction account number (TAN / 101 / 543000121/ 1299) allotted under the Delhi Sales Tax on Works Contract Act, 1999	Sales Tax Department, Government of Delhi	June 30, 2003	-
2.	Registration certificate under Section 11 of the Haryana Value Added Tax Act, 2003 and registration as a dealer under Sections 7(1)/7(2) of the Central Sales Tax Act, 1956 (allotment of tax identification number 06832613309)	Assessing Authority, Panipat, Haryana	June 13, 2003	-
3.	Registration as a dealer under the Tamil Nadu Value Added Tax Act, 2006 and registration as a dealer under Sections 7(1)/7(2) of the Central Sales Tax Act, 1956 (allotment of tax identification number 33550541922)	Commercial Tax Officer, Commercial Taxes Department, Tamil Nadu	February 29, 2008	-
4.	Registration as a dealer under the Karnataka Value Added Tax Act, 2003 (allotment of TIN 29680837330)	Local VAT Office, Mangalore, Karnataka	March 24, 2009	-
5.	Permanent account number AAACE-5318-C	Office of the Joint Commissioner of Income Tax, New Delhi	April 28, 2000	-
6.	TAN number MUME00387C and TIN number 27580383458C*	Government of Maharashtra	-	-

**** Electronic record.***

III. *Labour Approvals*

S. No.	No./Description of Permit/Licence	Issuing Authority	Date	Expiry
1.	Certificate of registration (ALC-HQ/46/3/2007-(R)) under Section 7(2) of the Contract Labour (Regulation & Abolition) Act, 1970 for employment of over 400 workers	Office of the Regional Labour Commissioner (Central), New Delhi	March 22, 2007	-
2.	Certificate of registration (R/32/2007) under Section 7(2) of the Contract Labour (Regulation & Abolition) Act, 1970 for employing a maximum of 20 workers	Office of the Deputy Chief Labour Commissioner, Chennai	October 12, 2007	-
3.	Certificate of registration (46/R(26)/2009-E.2) under Section 7(2) of the Contract Labour (Regulation & Abolition) Act, 1970 for employing a maximum of 28 workers on any day through each contractor	Office of the Deputy Commissioner, Kolkata	October 25, 2009	-

IV. *Miscellaneous Approvals*

S. No.	No./Description of Permit/Licence	Issuing Authority	Date	Term
1.	Occupational license (no. 1001515) for registering a foreign branch under the trade name "Engineers India Limited - Abu Dhabi"	Department of Economic Development, Abu Dhabi	March 3, 2010	Valid until March 30, 2011
2.	Registration and permission to carry out the business of onshore and offshore oil & gas fields installation services, engineering consultancy etc.	Abu Dhabi Chamber of Commerce & Industry	April 7, 2010	Valid until April 6, 2011

3.	Registration as consultant (register no. 333, serial no. 003585) for design and supervision of specializations such as public utilities and services, electrical installations, industry, chemical/ metal industry	Department of Economic Development, Abu Dhabi	March 23, 2010	Valid until September 22, 2010
4.	Registration (no. 1926) as foreign company	Commercial Registration Department, Ministry of Economy, United Arab Emirates	March 18, 2010	Valid until October 15, 2010
5.	Certificate of importer-exporter code (0588112186)	Office of the Joint Director General of Foreign Trade, Ministry of Commerce and Industry	December 4, 1995	-

V. *Intellectual Property Related Approvals*

S. No.	No./Description of Permit/Licence	Issuing Authority	Date	Term
1.	Patent (no. 184574) for the invention "packing element for use in the manufacture of a packing module"	Patent Office, Government of India	August 29, 1991	Upto 2011*
2.	Patent (no. 184733) for the invention of a process for the preparation of C_6C_8 hydrocarbon solvent containing less than 0.10% aromatics from paraffanic rich streams	Patent Office, Government of India	August 21, 1996	14 years
3.	Patent (no. 187223) for the invention of a composition for use in recovery of sulphur from hydrogen sulphide	Patent Office, Government of India	August 16, 1993	20 years
4.	Patent (no. 195250) for the invention entitled "a process for recovering sulphur from hydrogen sulphide"	Patent Office, Government of India	September 27, 2007	20 years from August 16, 1993
5.	Patent (no. 215725) for the invention entitled "a pilot burner ignition apparatus for use in combustion chambers"	Patent Office, Government of India	March 3, 2008	20 years from March 30, 1998
6.	Patent (no. 228442) for the invention entitled "a structured packing module"	Patent Office, Government of India	February 4, 2009	20 years from March 4, 2002
7.	Patent (no. 230904) for the invention entitled "apparatus for measuring low gauge pressure and low differential pressure with resolution approaching one micron WC (10MP)"	Patent Office, Government of India	February 28, 2009	20 years from June 16, 2000
8.	Patent (no. 232471) for the invention entitled "a process for separating liquefied natural gas into liquefied petroleum gas and higher molecular weight component"	Patent Office, Government of India	March 17, 2009	20 years from September 7, 2001
9.	Patent (no. 195910) for the invention "production of polymer/ food grade solvents from paraffin rich low value streams employing hydroprocessing" (jointly held with Indian Oil Corporation Limited)	Patent Office, Government of India	July 16, 2002	20 years from July 16, 2002
10.	Patent (no. US 7,207,445 B2) for "device and method for non-dispersive contacting of liquid-liquid reactive system" (Indian Oil Corporation is also an assignee along with our Company)	United States Patent and Trademark Office	April 24, 2007	-

** The Company has made annuity payments to extend the validity of this patent.*

VI. *Approvals Applied for but not yet Received*

S. No.	No./Description of Permit/Licence	Issuing Authority	Date of Application
Research and Development Department			
1.	Renewal of consent under Sections 25/26 of the Water Act, 1974 and Sections 21/22 of the Air Act, 1981 for the year 2010-2011	Regional Officer, Haryana State Pollution Control Board	March 18, 2010
Intellectual Property Related Approvals			
2.	Patent application (no. 788/DEL/2008) for "process and apparatus for enhancing recovery of propane and liquefied petroleum gas from natural gas"	Patent Office, Government of India	March 26, 2008
3.	Patent application (no. 789/DEL/2008) for "process and apparatus for enhancing recovery of liquefied petroleum gas at lower condenser duty"	Patent Office, Government of India	March 26, 2008
4.	Patent application (no. 583/DEL/2009) for "novel process for selective removal of sulphur compounds from LPG with caustic"	Patent Office, Government of India	March 25, 2009
5.	Patent application (no. 641/DEL/2009) for "improved process for removal of disulphide oil from caustic"	Patent Office, Government of India	March 30, 2009
6.	Patent application (no. 98/DEL/2010) for "recovery of sulphur by using oxygen rich air"	Patent Office, Government of India	January 19, 2010
7.	Patent application (no. 10/822,859) for "production of polymer/ food grade solvent from paraffin rich low value streams employing hydrprocessing"	United States Patent and Trademark Office	April 13, 2004
8.	Patent application (no. 715/DEL/2007) for "a novel method of recovery of ethane/ propane and liquefied petroleum gas from liquefied natural gas"	Patent Office, Government of India	March 30, 2007
9.	Patent application (no. 6/DEL/2007) for "novel distributor tray for trickle bed reactor"	Patent Office, Government of India	January 2, 2007
10.	Patent application (no. 2381/DEL/2006) for "novel process for regenerative sulphur dioxide removal from gases"	Patent Office, Government of India	November 1, 2006
11.	Patent application (no. 631/DEL/2000) for "efficient steam trapping device"	Patent Office, Government of India	June 23, 2000
12.	Patent application (no. 1120/DEL/2003) for "a new method for recovery of C2/C3 liquefied petroleum gas from liquefied natural gas"	Patent Office, Government of India	September 8, 2003
13.	Patent application (no. 690/DEL/2003) for "device for measurement of flow rate of overflash liquid in crude distillation columns"	Patent Office, Government of India	May 12, 2003
14.	Patent application (no. 99/DEL/2003) for "method for recovery of elemental sulphur from biogas, natural/acid gas"	Patent Office, Government of India	February 6, 2003
15.	Patent application (no. 858/DEL/2002) for "process for the purification of liquid sulphur"	Patent Office, Government of India	August 23, 2002
16.	Patent application (no. 609/DEL/2002) for "improved method and device for non-dispersive contacting of liquid-liquid reactive system"	Patent Office, Government of India	June 5, 2002
17.	Patent application (no. 368/DEL/2002) for "interface level measurement device"	Patent Office, Government of India	March 28, 2002
18.	Patent application (no. 118/DEL/2002) for "improved two stage liquid distribution"	Patent Office, Government of India	February 15, 2002
19.	Patent application (no. 944/DEL/2001) for "process for purification by degrassing of liquid sulphur"	Patent Office, Government of India	September 12, 2001
20.	Patent application (no. 597/DEL/2000) for "an electronic circuit to generate sparks with low	Patent Office, Government of India	June 16, 2000

S. No.	No./Description of Permit/Licence	Issuing Authority	Date of Application
	or high energy and variable frequency for igniting gas based pilot burner or main burner of fired heaters"		
21.	Patent application (no. 3354/DEL/2005) for "a method of extracting a lubricating oil feedstock to yield a primary extract useful as a high BMCI extract"	Patent Office, Government of India	December 13, 2005
22.	Application for registration in class 35, 37 and 42 of the trademark:	Trademarks Registry, Government of India	June 1, 2010
23.	Application for registration in class 35, 37 and 42 of the trademark:	Trademarks Registry, Government of India	June 1, 2010
24.	Application for registration in class 35, 37 and 42 of the trademark "Engineers India Limited"	Trademarks Registry, Government of India	June 10, 2010

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Offer

The MoPNG, through its letter no. G-38011/42/2009-Fin.I dated June 10, 2010 conveyed its approval for the Offer. Our Board has authorised this Offer pursuant to a resolution passed at its meeting dated May 27, 2010.

Prohibition by SEBI, RBI or Governmental Authorities

Our Company, our Promoter and our Directors have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authorities. Neither our Promoter nor any of our Directors have been or is a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI.

Except Mr. Arun Kumar Purwar who is associated with India Infoline Limited, none of our other Directors are associated with the securities market.

For details of proceedings initiated by SEBI against our Directors or any entity in which our Directors are involved as promoters or directors see the section "Outstanding Litigation and Material Developments – Outstanding Litigation/Proceedings involving the Directors – Proceedings Initiated by SEBI" on page 195.

Neither our Company, our Promoter nor our Directors, have been detained as willful defaulters by the RBI or any other government authorities. There are no violations of securities laws committed by any of them in the past or pending against them.

Eligibility for this Offer

Our Company is eligible for the Offer in accordance with Regulation 27 read with Regulation 26(1)(d) and (e) of the SEBI Regulations as described below:

(a) The aggregate of the proposed Offer and all previous issues made in the same financial year in terms of Offer size is not expected to exceed five times the pre-Offer net worth of our Company as per the audited balance sheet of the preceding financial year; and
(b) Our Company has not changed its name within the last one year.

Hence, our Company is eligible for the Offer under Regulation 27 read with Regulation 26(1) of the SEBI Regulations.

In addition, in accordance with regulation 26(4) of the SEBI Regulations, we shall ensure that the number of Allottees, i.e. persons to whom the Equity Shares will be allotted under the Offer, shall be not less than 1,000; otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days after the Selling Shareholder becomes liable to repay it (i.e., from the date of refusal or within 15 days from the date of Offer Closing Date, whichever is earlier), then the Selling Shareholder shall, on and from expiry of eight days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

This Offer is being made through the Book Building Process wherein up to 50% of the Net Offer, that is up to 16,490,830 Equity Shares is available for allocation to QIBs. For further details, see the section "Offer Procedure" on page 225.

5% of the QIB Portion, that is 824,542 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Offer Price. In the event demand from Mutual Funds is greater than that is 824,542 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion.

The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the QIB Portion and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above Offer Price.

Further, not less than 15% of the Net Offer, that is not less than 4,947,249 Equity Shares shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer, that is not less than 11,543,581 Equity Shares shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Offer Price. Further, up to 712,000 Equity Shares shall be available for allocation on a proportionate basis to the Eligible Employees under the Employee Reservation Portion, subject to valid bids being received at or above the Offer Price.

Under-subscription, if any, in any category, excluding the Employee Reservation Portion, would be met with spill-over from other category, at the sole discretion of our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Offer. In case of under- subscription in the Net Offer, spill-over to the extent of under-subscription shall be permitted from the Employee Reservation Portion subject to the Net Offer constituting at least 10% of the Offer size.

For further details, see the section "Offer Structure" on page 219.

Disclaimer Clause of SEBI

AS REQUIRED, A COPY OF THIS DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, ICICI SECURITIES LIMITED, IDFC CAPITAL LIMITED, SBI CAPITAL MARKETS LIMITED AND HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PVT. LTD HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.
IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS, ICICI SECURITIES LIMITED, IDFC CAPITAL LIMITED, SBI CAPITAL MARKETS LIMITED AND HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PVT. LTD ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDER DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JUNE 15, 2010 WHICH READS AS FOLLOWS:

WE, THE LEAD MERCHANT BANKER(S) TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

1. **"WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIAL IN CONNECTION WITH**

THE FINALISATION OF THIS DRAFT RED HERRING PROSPECTUS ("DRHP") PERTAINING TO THE SAID ISSUE;

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER;**

WE CONFIRM THAT:

(A) THE DRAFT RED HERRING PROSPECTUS FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;

(B) ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SEBI, THE GOVERNMENT OF INDIA AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. **WE CONFIRM THAT ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SEBI, AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4. **WHEN UNDERWRITTEN, WE WILL SATISFY OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS. - NOTED FOR COMPLIANCE**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF ITS SECURITIES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRHP WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRHP.**

6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRHP.**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SEBI. WE**

FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – <u>NOT APPLICABLE</u>

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. – <u>NOT APPLICABLE AS IT IS AN OFFER FOR SALE</u>;**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS WILL BE MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THIS ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 73(3) OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT TO BE ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – <u>NOTED FOR COMPLIANCE</u>**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. <u>– NOT APPLICABLE</u>**

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS:**

(A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER; AND

(B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE, ETC.**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION**

NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THIS DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY."

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY AND/OR THE SELLING SHAREHOLDER FROM ANY LIABILITIES UNDER SECTION 63 AND SECTION 68 OF THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THIS DRHP.

All legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 60B of the Companies Act. All legal requirements pertaining to this Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 56, 60 and 60B of the Companies Act.

Disclaimer from our Company, the Selling Shareholder, the Directors and the Book Running Lead Managers

Our Company, the Selling Shareholder, the Directors and the Book Running Lead Managers accept no responsibility for statements made otherwise than those contained in this Red Herring Prospectus or in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.engineersindia.com, or the website of any Subsidiaries, our Promoter, of any affiliate or associate of our Company or Subsidiaries, would be doing so at his or her own risk.

The Selling Shareholder, its affiliates, associates and their respective directors and officers accept no responsibility for any statements made other than those made in relation to the Equity Shares offered through the Offer for Sale.

The BRLMs accepts no responsibility, save to the limited extent as provided in the Offer Agreement entered into among the BRLMs, the Selling Shareholder and the Company dated June 14, 2010, and the Underwriting Agreement to be entered into among the Underwriters, the Selling Shareholder and us.

All information shall be made available by us, the Selling Shareholder and BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at bidding centres, etc.

Our Company, the Selling Shareholder, the BRLMs and the Syndicate Members shall not be liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors that bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Each of the Book Running Lead Managers and their respective affiliates may engage in transactions with, and perform services for, our Company or affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company and its affiliates, for which they have received, and may in the future receive, compensation.

Disclaimer in Respect of Jurisdiction

This Offer is being made in India to persons resident in India, including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in section 4A of the Companies Act, scheduled commercial banks, Mutual Funds, multilateral and bilateral development financial institutions, VCFs, FVCIs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, NIF, provident funds with minimum corpus of Rs. 2,500 lakh, pension funds with minimum corpus of Rs. 2,500 lakh and insurance funds set up and managed by army, navy or air force of the Union of India in accordance with applicable law, permitted Non-Residents including FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals bidding under the QIB Portion) and Eligible NRIs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to hold the Equity Shares.

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This Red Herring Prospectus will not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in New Delhi, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus has been filed with the SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("Securities Act") or any state securities laws in the United States, and, unless so registered, may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this RHP as "U.S. QIBs"; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this RHP as "QIBs"), in transactions exempt from the registration requirements of the Securities Act and (b) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of the Issue, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Equity Shares Offered and Sold within the United States

Each purchaser that is acquiring the Equity Shares issued pursuant to this Issue within the United States, by its acceptance of this RHP and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with the Company and the BRLMs that it has received a copy of this RHP and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorized to consummate the purchase of the Equity Shares issued pursuant to this Issue in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the Equity Shares issued pursuant to this Issue have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and are subject to restrictions on transfer;

(3) the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of a qualified institutional buyer with respect to which it exercises sole investment discretion;

(4) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;

(5) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act and (B) in accordance with all applicable laws, including the securities laws of the States of the United States;

(6) the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Equity Shares;

(7) the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act;

(8) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED ((THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

(9) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above- stated restrictions; and

(10) the purchaser acknowledges that the Company and the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements,

representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All Other Equity Shares Offered and Sold in this Issue

Each purchaser that is acquiring the Equity Shares issued pursuant to this Issue outside the United States, by its acceptance of this RHP and of the Equity Shares issued pursuant to this Issue, will be deemed to have acknowledged, represented to and agreed with the Company and the BRLMs that it has received a copy of this RHP and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorized to consummate the purchase of the Equity Shares issued pursuant to this Issue in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the Equity Shares issued pursuant to this Issue have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and are subject to restrictions on transfer;

(3) the purchaser is purchasing the Equity Shares issued pursuant to this Issue in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the Securities Act;

(4) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares issued pursuant to this Issue, was located outside the United States at the time the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United Sates or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;

(5) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;

(6) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares, or any economic interest therein, may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act and (B) in accordance with all applicable laws, including the securities laws of the States of the United States;

(7) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

    THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED ((THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

(8) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

(9) the purchaser acknowledges that the Company, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Each person in a Member State of the EEA which has implemented the Prospectus Directive (each, a "Relevant Member State") who receives any communication in respect of, or who acquires any Equity Shares under, the offer contemplated in this RHP will be deemed to have represented, warranted and agreed to and with each Underwriter and the Company that:

1. it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and

2. in the case of any Equity Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Equity Shares acquired by it in the Offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Underwriters has been given to the offer or resale; or (ii) where Equity Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Equity Shares to it is not treated under the Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an "offer of Equity Shares to the public" in relation to any of the Equity Shares in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the offer and on the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

Dissclaimer Clause of the BSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to the BSE. BSE has given vide its letter dated June 24, 2010, permission to us to use BSE's name in this Red Herring Prospectus and the Prospectus as one of the stock exchanges on which the Company's securities are proposed to be listed. BSE has scrutinised the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. BSE does not in any manner:

- warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus or Prospectus; or
- warrant that the Company's securities will be listed or will continue to be listed on BSE; or
- take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project of the Company;

and it should not for any reason be deemed or construed to mean that this Red Herring Prospectus or Prospectus has been cleared or approved by BSE. Every Person who desires to apply for or otherwise acquires any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of the NSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to NSE. NSE has given vide its letter ref.: NSE/LIST/141485-C dated July 02, 2010, permission to the Company to use NSE's name in this Red Herring Prospectus and the Prospectus as one of the stock exchanges on which the Company's securities are proposed to be listed. The NSE has scrutinised the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Draft Red Herring Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; nor does it warrant that the Company's securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of the Company, its promoter, its management or any scheme or project of the Company.

Every person who desires to apply for or otherwise acquires any of the Company's securities may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

A copy of the Draft Red Herring Prospectus will be filed with the SEBI at the Securities and Exchange Board of India, SEBI Bhavan, G Block, third Floor, Bandra Kurla Complex, Bandra (E), Mumbai 400 051, Maharashtra.

A copy of this Red Herring Prospectus, along with the other documents required to be filed under Section 60B of the Companies Act, will be delivered for registration with the RoC at the office of the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act will be delivered for registration with the RoC situated at the address mentioned below:

Registrar of Companies of NCT of Delhi & Haryana
Paryavaran Bhavan,
CGO Complex, Lodhi Road,
New Delhi 110 003, India.

Listing

The Equity Shares are listed on the NSE and the BSE. The Equity Shares had also been listed on the Delhi Stock Exchange in February 2000 but were delisted on January 2, 2006 upon our Company seeking delisting on account of lack in trading in our equity shares. Applications have been made to the Stock Exchanges for permission to deal in, and for an official quotation of the Equity Shares. The BSE will be the Designated Stock Exchange with which the 'Basis of Allocation' will be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges, the Selling Shareholder will forthwith repay, without interest, all moneys received from applicants, pursuance to the Red Herring Prospectus. If such money is not repaid within eight days after the Selling Shareholder becomes liable to repay it, i.e. from the date of refusal or within 15 days from the Offer Closing Date or 14 days from Offer Closing Date for ASBA Bidders, whichever is earlier, then the Selling Shareholder shall on and from such expiry of eight days, become liable to repay the money, with interest at the rate of 15% p.a. on application money, as prescribed under Section 73 of the Companies Act.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

"*Any person who:*

(a) *makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or*

(b) *otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name*

shall be punishable with imprisonment for a term which may extend to five years."

Consents

Consents in writing of (a) the Directors, Selling Shareholder, our Company Secretary and Compliance Officer, the Book Running Lead Managers, the Auditor, the domestic legal counsel to the Offer, international legal counsel to the Offer, the Bankers to our Company, the Registrar to the Offer have been obtained; and consents in writing of (b) the Syndicate Members, the Escrow Collection Banks, the Bankers to the Offer, to act in their respective capacities, will be obtained and would be filed along with a copy of the Red Herring Prospectus with the RoC as required under Sections 60 and 60B of the Companies Act and such consents will not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI Regulations, Jagdish Chand & Co have consented to the inclusion of their report on financial statements and report relating to the possible general and special tax benefits, as applicable, accruing to our Company and its shareholders, included in this Red Herring Prospectus in the form and context in which they appear in this Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus for registration with the RoC.

Expert Opinion

Except for the reports of the Auditors of our Company on the restated financial statements, included in this Red Herring Prospectus and updated at the time of filing of the Red Herring Prospectus with the RoC, pursuant to the SEBI Regulations, we have not obtained any other expert opinions.

Offer Related Expenses

The expenses for the Offer include lead management fees, underwriting commission, registrar's fees, advertisement and marketing expenses, legal fees and depository charges. The details of the estimated Offer expenses are set forth below.

S.No.	Activity Expense	Amount (Rs. million)	Percentage of Total Estimated Offer Expenditure	Percentage of Offer Size
1.	Fees of the Book Running Lead Managers*	[●]	[●]	[●]
2.	Fees to Registrar to the Offer*	[●]	[●]	[●]
3.	Fees to the Legal Advisors*	[●]	[●]	[●]
4.	Advertisement and marketing expenses*	[●]	[●]	[●]
5.	Other Expenses (Listing fees, Auditor's fees, fee to Depositories, printing and stationary expenses etc.)*	[●]	[●]	[●]
6.	Underwriting commission, brokerage and selling commission	[●]	[●]	[●]
7.	Fees payable to SCSBs	[●]	[●]	[●]
	Total Estimated Offer Expenses	[●]	[●]	[●]

**Will be incorporated at the time of filing of the Prospectus.*

All expenses with respect to fees payable to the BRLMs, Registrar to the Offer, Legal Advisors, brokerage and selling commissions as well as expenses towards the publication of Offer related advertisements and marketing in connection with the Offer will be paid by the Selling Shareholder.

Fees, Brokerage and Selling Commission Payable to the Book Running Lead Managers and the Syndicate Members

The total fees payable to the Book Running Lead Managers and the Syndicate Members will be as stated in the engagement letter issued by the Selling Shareholder a copy of which will be made available for inspection at our Registered Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Offer Closing Date.

Fees Payable to the Registrar to the Offer

The fees payable by the Selling Shareholder to the Registrar to the Offer for processing of application, data entry will be as per the agreement dated July 8, 2010, signed with our Company, the Selling Shareholder and the Registrar to the Offer.

The Registrar to the Offer will be reimbursed for postage charges for refund.

Previous Issues of Equity Shares otherwise than for Cash

Other than as disclosed in "Capital Structure – Notes to Capital Structure – Note 1(b) – Equity Shares issued for consideration other than cash" on page 64 our Company has not issued any shares for consideration other than cash.

Public/Rights Issues in the Last Ten Years

Our Company has not made any public/rights issues in the last ten years.

Performance vis-à-vis Objects – Last Three Issues of our Company

Our Company has not made any issues in the ten years preceding the date of filing this Red Herring Prospectus.

Performance vis-à-vis Objects – Last One Issue of Subsidiaries or Associate Companies

Neither our Subsidiaries or our associate companies have made public/rights or composite issues in the ten years preceding the date of filing this Red Herring Prospectus with SEBI.

Underwriting Commission, Brokerage and Selling Commission on Previous Issues

The underwriting, brokerage and selling commission paid in relation to offering of our Company to its employees in 1997 was Nil.

Outstanding Debentures or Bond Issues or Preference Shares

Our Company has no outstanding debentures or bonds or redeemable preference shares or other instruments as of the date of this Red Herring Prospectus.

Stock Market Data of the Equity Shares

For details, see "Stock Market Data for Equity Shares of our Company" on page 182.

Other Disclosures

Our Directors and Promoter have not purchased or sold any securities of our Company, during a period of six months preceding the date of filing this Red Herring Prospectus with SEBI.

For details of proceedings initiated by SEBI against entities associated with the securities market with which our Directors are associated see the section "Outstanding Litigation and Material Developments – Outstanding Litigation/Proceedings involving the Directors – Proceedings Initiated by SEBI" on page 195.

Mechanism for Redressal of Investor Grievances

The Registrar's Agreement between the Registrar to the Offer, the Selling Shareholder and us, provides for retention of records with the Registrar to the Offer for a period of at least one year from the last date of dispatch of letters of allotment, demat credit, refund orders to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances relating to the Offer may be addressed to the Registrar to the Offer, giving full details such as name, address of the applicant, application number, number of shares applied for, amount paid on application, DP, and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company received 55 investor complaints during the three years preceding the filing of this Red Herring Prospectus. All of the said 55 complaints were disposed off by our Company.

As on the date of filing of this Red Herring Prospectus, there are no investor complaints pending against our Company. Further, Gujarat Lease Financing Limited filed a writ petition against our Company and Union of India before the High Court of Delhi alleging delay in allotment of shares to them in relation to the disinvestment of our Company in 1996 and praying for a refund of Rs. 155,875,000. For details see the section "Outstanding Litigation and Material Developments – Outstanding Litigation/ Proceedings Involving our Company – Cases filed against our Company – Civil Suits – No. 12" on page 188.

Our Company has appointed Dr. R. Soundararajan, the Company Secretary as the Compliance Officer and he may be contacted in case of any pre-Offer or post-Offer -related problems. He can be contacted at the following address:

Dr. R. Soundararajan

Engineers India Bhawan
1, Bhikaiji Cama Place
New Delhi 110 066, India
Telephone: + 91 11 2610 0258/ 2676 2188
Facsimile: +91 11 2619 1690
Email: company.secretary@eil.co.in

Mechanism for Redressal of Investor Grievances by Companies under the Same Management

As our Promoter is the President of India acting through the MoPNG, disclosure of our 'group companies' or companies under the same management cannot be provided.

Change in Auditors

The Auditors of our Company are appointed/re-appointed by the Office of the Comptroller and Auditor General of India every Fiscal.

The changes in the Auditors of our Company in the last three years are detailed below:

S. No.	Name of Auditor	Date of	Reason for change

		Appointment	
1.	V.K.Dingra & Co	June 26, 2006	Appointed as statutory auditors for Fiscal 2007
2.	Jagdish Chand & Co	July 27, 2007	Appointed as statutory auditors for Fiscal 2008

Capitalisation of Reserves or Profits

Apart from the bonus issues as mentioned in the section "Capital Structure" our Company has not capitalised its reserves or profits at any time during the last five years. For details of the bonus issues, see the section "Capital Structure – Notes to the Capital Structure – Note no. 1" on page 63.

Tax Implications

For details, see the section "Statement of Tax Benefits" on page 76.

Revaluation of Assets

Our Company has not revalued its assets in the last five years.

SECTION VII – OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered are subject to the provisions of the Companies Act, our Memorandum and Articles, the terms of the Red Herring Prospectus, the Prospectus, the Bid cum Application Form, the ASBA Form, the Revision Form, the CAN, the listing agreements with the Stock Exchanges and other terms and conditions as may be incorporated in the Allotment advices and other documents or certificates that may be executed in respect of this Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital by the Government of India, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of this Offer.

Authority for this Offer

See the section titled "Other Regulatory and Statutory Disclosures" on page 201.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Companies Act, our Memorandum and Articles and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend. The Allottees will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. See the section titled "Main Provisions of the Articles of Association" on page 259 for a description of our Articles.

Mode of Payment of Dividend

Our Company shall pay dividends to shareholders of our Company as per the provisions of the Companies Act and our Memorandum and Articles. Further, as per the SEBI Regulations, the dividend for the entire year shall be payable to the Allottees.

Cost of the Offer

The MoPNG shall bear the cost of making this Offer as the offer involves a disinvestment by the Government.

Face Value, Offer Price and Price Band

The face value of the Equity Shares is Rs. 5 each. The Floor Price of Equity Shares is Rs. [●] per Equity Share and the Cap Price is Rs. [●] per Equity Share.

The Price Band and the minimum bid lot as decided by our Company and the Selling Shareholder, in consultation with the Book Running Lead Manager, including the relevant financial ratios computed for both the Cap Price and the Floor Price and shall be published at least one Working Days prior to the Offer Opening Date in English and Hindi national newspapers, each with wide circulation. Investors may be guided in the meantime by secondary market prices.

At any given point of time there shall be only one denomination for the Equity Shares.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, the shareholders of our Company shall have the following rights:

- The right to receive dividends, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote on a poll either in person or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;

- The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- The right to freely transfer their Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreements executed with the Stock Exchanges, and our Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/or consolidation/splitting, see the section "Main Provisions of the Articles of Association" on page 259.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per the applicable law and the SEBI Regulations, the trading of our Equity Shares shall only be in dematerialised form. The tradable lot is one Equity Share. Allotment of Equity Shares in this Offer will be in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares.

Joint Holders

Where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold the same as joint tenants with benefits of survivorship, subject to provisions contained in the Articles.

Jurisdiction

Exclusive jurisdiction for the purpose of this Offer is with the competent courts in New Delhi.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and, unless so registered, may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this RHP as "U.S. QIBs"; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this RHP as "QIBs"), in transactions exempt from the registration requirements of the Securities Act and (b) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office and

Corporate Office or with the Registrar to the Offer and transfer agents of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of Section 109A of the Companies Act, shall, upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant will prevail. If the investors require to change their nomination, they are requested to inform their respective Depository Participant.

Bidding Period

OFFER PROGRAM	
FOR ALL BIDDERS	**OFFER OPENS ON JULY 27, 2010**
FOR QIBs	**OFFER CLOSES ON JULY 29, 2010**
FOR RETAIL AND NON-INSTITUTIONAL BIDDERS (INCLUDING ELIGIBILE EMPLOYEES BIDDING UNDER THE EMPLOYEE RESERVATION PORTION)	**OFFER CLOSES ON JULY 30, 2010**

Application by Eligible NRIs, FIIs, Sub-Accounts and FVCIs.

It is to be distinctly understood that there is no reservation for NRIs and FIIs, Sub-Accounts or FVCIs and other non residents.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and, unless so registered, may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this RHP as "U.S. QIBs"; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this RHP as "QIBs"), in transactions exempt from the registration requirements of the Securities Act and (b) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Arrangement for disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on transfer of shares

Except for the lock-in of the Promoter's Equity Shares as detailed in the section "Capital Structure" on page 66 and except as provided in our Articles, there are no restrictions on transfer and transmission of Equity Shares and on their consolidation and splitting. For details, see the sections "Capital Structure" and "Main Provisions of the Articles of Association" on pages 62 and 259, respectively.

Allotment in Dematerialised Form

Investors should note that Allotment to all successful Bidders will only be in dematerialised form. Bidders will not have the option of getting Allotment in physical form. On Allotment, the Equity Shares shall be traded only in the dematerialised segment of the Stock Exchanges.

OFFER STRUCTURE

The further public offer of 33,693,660 Equity Shares through an offer for sale by the Selling Shareholder for cash at a price of Rs. [●] per Equity Share, including a share premium of Rs. [●] per Equity Share, aggregating to Rs. [●] million is being made through the 100% Book Building Process. The Offer comprises a Net Offer of 32,981,660 Equity Shares and a reservation of 712,000 Equity Shares for Eligible Employees. The Offer shall constitute 10% of the post Offer paid-up Equity Share capital of our Company and the Net Offer shall constitute 9.78% of the post-Offer paid-up Equity Share capital of our Company.

	Eligible Employees (Including ASBA Bidders)	**QIB Bidders (Including ASBA Bidders)**	**Non-Institutional Bidders (Including ASBA Bidders)**	**Retail Individual Bidders (Including ASBA Bidders)**
Number of Equity Shares available for allocation*	Reservation of 712,000 Equity Shares	Up to 16,490,830 Equity Shares or the Net Offer less allocation to Non-Institutional Bidders and Retail Individual Bidders.	Not less than 4,947,249 Equity Shares or the Net Offer less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 11,543,581 Equity Shares or the Net Offer less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Offer size or post-Offer share capital of our Company, as applicable, available for Allotment/ allocation	Reservation of 0.21% of the post-Offer share capital of our Company***	Up to 50% of the Net Offer, that is up to 16,490,830 Equity Shares available for allication to QIB Bidders less allocation to Non-Institutional Bidders and Retail Individual Bidders. However, 5% of the QIB Portion, that is 824,542 Equity Shares shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation in the QIB Portion, that is 824,542 Equity Shares will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available to QIBs.	Not less than 15% of the Net Offer, that is not less than 4,947,249 Equity Shares or the Net Offer less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not less than 35% of the Net Offer, that is not less than 11,543,581 Equity Shares or the Net Offer less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.
‘Basis of Allocation’ if respective category is oversubscribed	Proportionate	Proportionate as follows: (a) 824,542 Equity Shares of the QIB Portion shall be allocated on a proportionate basis to Mutual Funds; and	Proportionate.	Proportionate.

	Eligible Employees (Including ASBA Bidders)	QIB Bidders (Including ASBA Bidders)	Non-Institutional Bidders (Including ASBA Bidders)	Retail Individual Bidders (Including ASBA Bidders)
		(b) 15,666,288 Equity Shares of the QIB Portion shall be allocated on a proportionate basis to all QIB Bidders including Mutual Funds receiving allocation as per (a) above.		
Minimum Bid	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	Such number of Equity Shares in multiples of [●] Equity Shares, such that the Bid Amount exceeds Rs. 100,000	Such number of Equity Shares, in multiples of [●] Equity Shares, such that the Bid Amount exceeds Rs. 100,000	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Maximum Bid	Such number of Equity Shares not exceeding the Employee Reservation Portion.	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits.	Such number of Equity Shares not exceeding the size of the Offer subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 100,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid/Allotment Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Trading Lot	One Equity Share	One Equity Share.	One Equity Share.	One Equity Share.
Who can Apply **	Eligible Employees	Public financial institutions as specified in section 4A of the Companies Act, FIIs and their Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals bidding under the QIB Portion), scheduled commercial banks, Mutual Funds, multilateral and bilateral development financial institutions, VCFs, FVCIs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, NIF,	Eligible NRIs, Resident Indian individuals, HUF (in the name of the *Karta*), companies, corporate bodies, scientific institutions, societies, trusts and eligible/permitted Sub-Accounts which are foreign corporates or foreign individuals bidding under the Non-Institutional Portion.	Resident Indian individuals (including HUFs in the name of the *Karta*) and Eligible NRIs applying for Equity Shares such that the Bid Amount does not exceed Rs. 100,000 in value.

	Eligible Employees (Including ASBA Bidders)	QIB Bidders (Including ASBA Bidders)	Non-Institutional Bidders (Including ASBA Bidders)	Retail Individual Bidders (Including ASBA Bidders)
		provident funds with minimum corpus of Rs. 2,500 lakh, pension funds with minimum corpus of Rs. 2,500 lakh and insurance funds set up and managed by army, navy or air force of the Union of India in accordance with applicable law.		
Terms of Payment	Bid Amount shall be payable at the time of submission of Bid cum Application Form. In case of ASBA Bidders, the relevant SCSB shall be authorised to block in the Bank Account the Bid Amount mentioned in the ASBA Form.	Bid Amount shall be payable at the time of submission of Bid cum Application Form. In case of ASBA Bidders, the relevant SCSB shall be authorised to block in the Bank Account the Bid Amount mentioned in the ASBA Form.	Bid Amount shall be payable at the time of submission of Bid cum Application Form. In case of ASBA Bidders, the relevant SCSB shall be authorised to block in the Bank Account the Bid Amount mentioned in the ASBA Form.	Bid Amount shall be payable at the time of submission of Bid cum Application Form. In case of ASBA Bidders, the relevant SCSB shall be authorised to block in the Bank Account the Bid Amount mentioned in the ASBA Form.
Margin Amount	Full Bid Amount on bidding.	Full Bid Amount on bidding.	Full Bid Amount on bidding.	Full Bid Amount on bidding.

* *Subject to valid Bids being received at or above the Offer Price. This Offer is being made through a 100% Book Building Process wherein up to 50% of the Net Offer, that is up to 16,490,830 Equity Shares shall be allocated on a proportionate basis to QIBs. 5% of the QIB Portion, that is 824,542 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from domestic Mutual Funds is less than 824,542 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIBs in proportion to their Bids.*

Further, not less than 15% of the Net Offer, that is not less than 4,947,249 Equity Shares shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer, that is not less than 11,543,581 Equity Shares shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Offer Price. Further, 712,000 Equity Shares shall be available for allocation on a proportional basis to our Eligible Employees under the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, excluding the Employee Reservation Portion, *would be allowed to be met with spill-over from other categories at the discretion of our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers. Under-subscription, if any, in the Net Offer, would be allowed to be met with spill-over to the extent of under-subscription from the Employee Reservation Portion, subject to the Net Offer constituting at least 10% of the Offer size.*

** *In case the Bid cum Application Form or ASBA Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form or ASBA Form, as the case may be.*

****Any unsubscribed portion in the Employee Reservation Portion shall be added to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of under-subscription shall be permitted from the Employee Reservation Portion to the Net Offer.*

Retail and Employee Discount

A discount of Rs [●] to the Offer Price determined pursuant to completion of the Book Building Process shall be offered to Retail Individual Bidders and Eligible Employees (the "**Retail and Employee Discount**").Retail Individual Bidders and Eligible Employees bidding at a price within the Price Band have to make payment based on their highest bid price option. Retail Individual Bidders and Eligible Employees bidding at Cut-Off Price have to ensure payment at the upper end of the Price Band.

Retail Individual Bidders and Eligible Employees should note that discount is not offered on application but on allotment. The excess amount paid on application would be refunded to such Bidders after Allotment along with any other refund, if any.

Withdrawal of the Offer

The Selling Shareholder, in consultation with the BRLMs, reserves the right not to proceed with the Offer anytime after the Offer Opening Date but before the Allotment of Equity Shares. In such an event, a public notice would be issued in the newspapers, in which the pre-Offer advertisements were published, within two days of the Offer Closing Date, providing reasons for not proceeding with the Offer. The Stock Excchanges shall also be promptly informed of the same. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day from the day of receipt of such notification.

In the event the Selling Shareholder in consultation with the BRLMs withdraws the Offer after the Offer Closing Date, a fresh offer document will be filed with the RoC/SEBI in the event we subsequently decide to proceed with the further public offering.

In terms of the SEBI Regulations, QIBs are not allowed to withdraw their Bids after the Offer Closing Date. Since, the Bidding Period for QIBs shall close one day prior to the Offer Closing Date QIBs will not be able to withdraw their Bids after July 29, 2010 i.e., one day prior to the Offer Closing Date.

Letters of Allotment or Refund Orders or Instructions to SCSBs

Our Company shall credit the Equity Shares to the valid beneficiary account with Depository Participants within two Working Days from the date of the Allotment to all successful Allottees, including ASBA Bidders, which in any event shall not exceed 12 Working Days from the Offer Closing Date.

Please note that only Bidders having a bank account at any of the centres where the clearing houses for the ECS as notified by the RBI are eligible to receive refunds or payment through electronic transfer of funds. For all other Bidders, including Bidders having bank accounts in the said centres who have not updated their bank particulars along with the nine-digit MICR code, the refund orders shall be dispatched within 10 Working Days of the Offer Closing Date "Under Certificate of Posting" for refund orders less than or equal to Rs. 1,500 and through speed post/registered post for refund orders exceeding Rs. 1,500.

In case of ASBA Bidders, the Registrar to the Offer shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Form for withdrawn, rejected or unsuccessful or partially successful ASBAs within 9 (nine) Working Days of the Offer Closing Date.

Interest in Case of Delay in Dispatch of Allotment Letters/ Refund Orders

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Regulations, our Company undertakes that:

- Allotment shall be made only in dematerialised form within 9 (nine) Working Days from the Offer Closing Date;
- Dispatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT, RTGS or ECS, shall be done within 10 Working Days from the Offer Closing Date and the instructions to SCSBs to unblock the funds in the relevant ASBA Account for withdrawn (except in case of a QIB Bidding through an ASBA Form), rejected or unsuccessful Bids shall be given within 8 (eight) Working Days of the Offer Closing Date; and
- Interest shall be paid by our Selling Shareholder at 15% p.a. if the Allotment letters/ refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or ECS, the refund instructions have not been given to the clearing system in the disclosed manner within 11 (eleven) days from the Offer Closing Date or if instructions to SCSBs to unblock funds in the ASBA Accounts are not given within 8 (eight) Working days of the Offer Closing Date.

Our Company and the Selling Shareholder will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Offer.

Refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Banks and payable at par at places where Bids are received, except where refund or portion thereof is made through electronic transfer of funds or in case of Bids made through ASBA. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

In case of ASBA Bidders, the relevant SCSB will unblock funds in the ASBA Account to the extent of the refund to be made based on instructions received from the Registrar to the Offer.

Offer Program

OFFER PROGRAM	
FOR ALL BIDDERS	**OFFER OPENS ON JULY 27, 2010**
FOR QIBs	**OFFER CLOSES ON JULY 29, 2010**
FOR RETAIL AND NON-INSTITUTIONAL BIDDERS (INCLUDING ELIGIBILE EMPLOYEES BIDDING UNDER THE EMPLOYEE RESERVATION PORTION)	**OFFER CLOSES ON JULY 30, 2010**

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the Bidding Centres mentioned on the Bid cum Application Form or, in case of Bids submitted through ASBA, the Designated Branches of the SCSBs **except that on the Offer Closing Date, Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time)** and uploaded until (i) 4.00 p.m. in case of Bids by QIBs bidding in the QIB Portion, Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000 and (ii) until 5.00 p.m. in case of Bids by Retail Individual Bidders, where the Bid Amount is up to Rs. 100,000, which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by Book Running Lead Managers to the Stock Exchanges within half an hour of such closure. Due to limitation of the time available for uploading the Bids on the Offer Closing Date, the Bidders are advised to submit their Bids one Working Day prior to the Offer Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Offer Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Offer Closing Date, as is typically experienced in public offerings in India, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids will only be accepted on Working Days.

On the Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders and Eligible Employees after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid cum Application Forms and ASBA Form as stated herein and reported by the Book Running Lead Managers to the Stock Exchange within half an hour of such closure.

Our Company and the Selling Shareholder, in consultation with Book Running Lead Managers, reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI

Regulations provided that the Cap Price should not be more than 120% of the Floor Price. Subject to compliance with the above mentioned condition, the Floor Price can move up or down to the extent of 20% of the Floor Price advertised at least one Working Day before the Offer Opening Date.

In case of revision in the Price Band, the Bidding Period will be extended for three additional Working Days subject to the Bidding Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be published in English and Hindi national newspapers, i.e., [●] edition of [●] and [●] edition of [●]), each with wide circulation and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the members of the Syndicate.

OFFER PROCEDURE

This section applies to all Bidders. Please note that all Bidders may participate in the Offer through the ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all the Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form or ASBA Form, as the case may be.

Book Building Procedure

The Offer is being made through the 100% Book Building Process wherein, up to 50% of the Net Offer, that is up to 16,490,830 Equity Shares shall be available for allocation to QIBs on a proportionate basis. Out of the QIB Portion, 5% that is 824,542 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. Further, not less than 15% of the Net Offer, that is not less than 4,947,249 Equity Shares will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer, that is not less than 11,543,581 Equity Shares will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Offer Price. Further, 712,000 Equity Shares are reserved from the Offer for allocation on a proportionate basis to Eligible Employees under the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price.

All Bidders other than ASBA Bidders are required to submit their Bids through the Syndicate or their affiliates. ASBA Bidders are required to submit their Bids to SCSBs.

Investors should note that the Allotment will only be in dematerialised form. Bidders will not have the option of being Allotted Equity Shares in physical form. The Bid cum Application Forms or ASBA Forms, as the case may be, which do not have the details of the Bidders' depository account shall be treated as incomplete and rejected. On Allotment, the Equity Shares shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form and ASBA Form

The prescribed colour of the Bid cum Application Form and ASBA Form for various categories of Bidders is as follows:

Category	Colour of Bid cum Application Form/ ASBA Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis, excluding Eligible Employees in the Employee Reservation Portion	White
Non- Residents, Eligible NRIs, FIIs, FVCIs applying on a repatriation basis	Blue
Eligible Employees in the Employee Reservation Portion	Pink
ASBA Bidders bidding through a physical form	White

Bidders, other than ASBA Bidders, are required to submit their Bids through the Syndicate or their affiliates. Bidders (excluding ASBA Bidders) shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Red Herring Prospectus. Before being issued to the Bidders the Bid cum Application Forms shall be serially numbered and date and time stamped at the Bidding Centres and such forms shall be issued in duplicate signed by the Bidder and countersigned by the relevant member of the Syndicate. The Bid cum Application Form shall contain information about the Bidder, the price and the number of Equity Shares that the Bidder wishes to Bid for. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids.

Upon the dispatch of the CAN, the Bid cum Application Form shall be considered as the Application

Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

Bidders can also submit their Bids through the ASBA by submitting ASBA Forms, obtained from the Designated Branches, to the SCSB with whom the ASBA Account is maintained, authorising blocking of funds that are available in the ASBA Account. ASBA Bidders can submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Form at the relevant Designated Branch. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Bids. The SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the ASBA Form. Upon completing and submitting the ASBA Form to the SCSB, the ASBA Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the ASBA Form, as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

Who can Bid?

- Indian nationals resident in India who are not minors in single or joint names (not more than three). Bids by minors can be made when they are represented by major guardian.

- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/ ASBA Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals;

- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares;

- Mutual Funds registered with SEBI;

- Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Offer;

- Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);

- FIIs and Sub-Accounts of FIIs, other than a Sub-Account which is a foreign corporate or foreign individual;

- Sub-Accounts of FIIs, which are foreign corporates or foreign individuals only under the Non-Institutional Bidders category;

- Venture Capital Funds registered with SEBI;

- Foreign Venture Capital Funds registered with SEBI;

- Multilateral and bilateral development financial institutions;

- State Industrial Development Corporations;

- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their constitution to hold and invest in equity shares;

- Scientific and/or industrial research organisations authorised to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority;
- Provident Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
- National Investment Fund;
- Insurance funds set up and managed by the army, navy or air force of the Union of India; and
- Eligible Employees

In accordance with the FEMA and the regulations framed thereunder, OCBs cannot Bid in the Offer.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and, unless so registered, may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this RHP as "U.S. QIBs"; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this RHP as "QIBs"), in transactions exempt from the registration requirements of the Securities Act and (b) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Participation by associates and affiliates of the Associates/Affiliates of Book Running Lead Managers and Syndicate Members

The Book Running Lead Managers and Syndicate Members shall not be allowed to subscribe to this Offer in any manner except towards fulfilling their underwriting obligations, as stated in the Prospectus. However, associates and affiliates of the Book Running Lead Managers and Syndicate Members or any persons related to the Book Running Lead Managers and Syndicate Members may subscribe to or purchase Equity Shares in the Offer, in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders. Such bidding and subscription may be on their own account or on behalf of their clients.

Bids by Mutual Funds

5% of the QIB Portion, that is 824,542 Equity Shares is available to be allocated to Mutual Funds on a proportionate basis, subject to receipt of valid Bids.

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand from Mutual Funds is greater than 824,542 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, if the aggregate demand from Mutual Funds is less than 824,542 Equity Shares, the balance equity shares available for allocation in the Mutual Fund

Portion will be added to the QIB Portion and available for allocation proportionately to the QIB Bidders.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No mutual fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRI applicants may please note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid cum Application Form meant for Resident Indians.

Bids by FIIs

Under the extant law, the issue of Equity Shares to a single FII cannot exceed 10% of our post-Offer paid-up equity share capital. In respect of an FII investing in our Equity Shares on behalf of its Sub-Accounts, the investment on behalf of each Sub-Account shall not exceed 10% of our total issued equity share capital or 5% of our total issued equity share capital in case such Sub-Account is a foreign corporate or an individual permitted to make investments.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended (the "**SEBI FII Regulations**"), an FII or its Sub-Account may issue, deal or hold, offshore derivative instruments (as defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII or Sub-Account is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Sub-Accounts of FIIs are not permitted to issue offshore derivative instruments. Associates and affiliates of the Book Running Lead Managers and Syndicate Members that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them. Any such offshore derivative instrument does not constitute any obligation or claim on or interest in, our Company.

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Funds

The SEBI (Venture Capital Funds) Regulations, 1996 and SEBI (Foreign Venture Capital Investor) Regulations, 2000 *inter alia* prescribe the investment restrictions on VCFs and FVCIs.

Accordingly, the holding by any individual VCFs in one company should not exceed 25% of the corpus of the said VCF.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and

ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Bids by Provident Funds/ Pension Funds

In case of Bids made by provident funds with minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Bids by Eligible Employees

Bids under the Employee Reservation Portion shall be subject to the following:

- Only Eligible Employees would be eligible to apply in this Offer under the Employee Reservation Portion.
- The sole/ first Bidder shall be an Eligible Employee.
- Bid shall be made only in the prescribed Bid cum Application Form or Revision Form (i.e. [●] colour Form).
- Only those Bids, which are received at or above the Offer Price, would be considered for allocation under this category.
- Eligible Employees under the Employee Reservation Portion who Bid for Equity Shares of or for a value of not more than Rs. 100,000, may Bid in any of the bidding options at Cut-Off Price.
- The value of Allotment to any Eligible Employee shall not exceed Rs. 100,000.
- The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The maximum bid amount under the Employee Reservation Portion by an Eligible Employee cannot exceed Rs.100,000.
- Bid by an Eligible Employee can be made also in the "Net Offer" portion and such Bids shall not be treated as multiple bids.
- If the aggregate demand in this category is less than or equal to 712,000 Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- Under-subscription, if any, in the Employee Reservation Portion shall be added back to the Net Offer.
- If the aggregate demand in this category is greater than 712,000 Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, see the section titled "Basis of Allotment" on page 251.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000. In case the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of bidding at Cut-off Price, the Bid would be considered for allocation under the Non-Institutional Portion. The bidding at Cut-off Price is an option given only to the Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion, indicating their agreement to Bid and purchase at a discount of Rs. [•] to the Offer Price.

(b) **For Non-Institutional Bidders and QIBs:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of [•] Equity Shares thereafter. A Bid cannot be submitted for more than the Net Offer size. However, the Bid by a QIB should not exceed the investment limits prescribed for them by applicable laws. **In terms of the SEBI Regulations, QIBs are not allowed to withdraw their Bids after the Offer Closing Date. Since, the Bidding Period for QIBs shall close one day prior to the Offer Closing Date, QIBs will not be able to withdraw their Bids after July 29, 2010 i.e., one day prior to the Offer Closing Date.**

(c) In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the revised Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.

(d) **For Employee Reservation Portion:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [•] Equity Shares thereafter. Bidders in the Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may bid at Cut-Off Price. **Bidders may note that the total Bid Amount will be used to determine whether the Bid exceeds Rs. [•] or not.** The Allotment in the Employee Reservation Portion will be on a proportionate basis in case of over-subscription in this category. Further, the value of Allotment to any Eligible Employee shall not exceed Rs. 100,000. Bidders in the Employee Reservation Portion have the option to bid at the Cut-off Price indicating their agreement to Bid and purchase at a discount of Rs. [•] to the Offer Price.

Bidders are advised to make independent enquiries and ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

Information for Bidders:

(a) Our Company will file the Red Herring Prospectus with the RoC at least three days before the Offer Opening Date.

(b) Our Company and the Selling Shareholders in consultation with the Book Running Lead Managers shall declare the Offer Opening Date and Offer Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in an English and a Hindi national newspaper, each with wide circulation. This advertisement shall be in the format prescribed under applicable SEBI Regulations.

(c) Copies of the Bid cum Application Form and, at the request of potential Bidders, copies of the Red Herring Prospectus will be available with the members of the Syndicate.

(d) Any investor who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from the Registered Office or from the members of the Syndicate.

Eligible investors who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or their authorised agent(s) to register their Bids.

(e) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms without the stamp of a member of the Syndicate will be rejected.

Information specific to ASBA Bidders

1. ASBA Bidders who would like to obtain the Red Herring Prospectus and/or the ASBA Form can obtain the same from the Designated Branches. ASBA Bidders can also obtain a copy of the Red Herring Prospectus and/or the ASBA Form in electronic form on the websites of the SCSBs.

2. The Bids should be submitted to the SCSBs on the prescribed ASBA Form. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.

3. The SCSBs shall accept Bids only during the Bidding Period and only from the ASBA Bidders.

4. The Book Running Lead Managers shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA Form to the SCSBs. The SCSBs will then make available such copies to investors intending to apply in this Offer through the ASBA process.

5. The ASBA Form shall bear the stamp of the SCSBs and/or the Designated Branch, and if not, the same shall be rejected.

6. ASBA Bidders shall correctly mention the bank account number in the ASBA Form and should ensure that funds equal to the Bid Amount are available in the bank account maintained with the SCSB before submitting the ASBA Form to the respective Designated Branch. In case the amount available in the bank account specified in the ASBA Form is insufficient for blocking the amount equivalent to the Bid Amount, the SCSB shall reject the application.

7. If the ASBA Account holder is different from the ASBA Bidder, the ASBA Form should be signed by the account holder as provided in the ASBA Form.

8. ASBA Bidders shall correctly mention their DP ID and Client ID in the ASBA Form. For the purpose of evaluating the validity of Bids, the demographic details of ASBA Bidders shall be derived from the DP ID and Client ID mentioned in the ASBA Form.

Method and Process of Bidding

(a) Our Company and the Selling Shareholder in consultation with the Book Running Lead Managers will decide the Price Band and the minimum Bid lot for the Offer and the same shall be advertised in one English and Hindi national newspapers, each with wide circulation at least one Working Day prior to the Offer Opening Date. Investors may be guided in the meantime by secondary market prices. The members of the Syndicate or their authorised agents and the SCSBs shall accept Bids from the Bidders during the Bidding Period.

(b) The Bidding Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days (including the days for which the Offer is open in case of revision in Price Band). Any revision in the Price Band and the revised Bidding Period, if applicable, will be published in English and Hindi national newspapers, i.e., [●] edition of [●] and [●] edition of [●]), each with wide circulation and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the members of the Syndicate.

(c) During the Bidding Period, Bidders who are interested in subscribing for the Equity Shares should approach the Syndicate or their authorised agents to register their Bid. The Syndicate or their authorised agents shall accept Bids from all other Bidders and have the right to vet the Bids during the Bidding Period in accordance with the terms of the Red Herring Prospectus. Bidders who wish to use the ASBA process shall approach the Designated Branches to register their Bids.

(d) Each Bid cum Application Form and/ or the ASBA Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph entitled "Bids at Different Price Levels" below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form and/ or the ASBA Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Offer Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Offer Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

(e) The Bidder cannot bid on another Bid cum Application Form or ASBA Form after Bids on one Bid cum Application Form or ASBA Form have been submitted to the Syndicate or SCSBs, as the case may be. Submission of a second Bid cum Application Form or ASBA Form to the Syndicate or SCSB will be treated as multiple Bids and is liable to be rejected However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph titled "Build up of the Book and Revision of Bids". An Eligible Employee Bidding under the Employee Reservation Portion may also Bid in the Net Offer and such Bids will not be treated as multiple Bids.

(f) The Syndicate/ the SCSBs, as the case may be, will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("**TRS**"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form or ASBA Form.

(g) Along with the Bid cum Application Form, all Bidders will make payment in the manner described in *"– Escrow Mechanism – Payment mechanism for ASBA Bidders and Payment into Escrow Account for Bidders other than ASBA Bidders*" on page 243.

(h) Upon receipt of the ASBA Form, submitted whether in physical or electronic mode, the respective Designated Branch shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Form, prior to uploading such Bids with the Stock Exchanges.

(i) If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such Bids and shall not upload such Bids with the Stock Exchanges.

(j) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

(k) The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Offer Account, or until withdrawal/failure of the Offer or until withdrawal/rejection of the ASBA Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Offer shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful ASBA Bidders to the Public Offer Account. In case of withdrawal/failure of the Offer, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Offer.

Bids at Different Price Levels and Revision of Bids

(a) Our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers and without prior intimation to or approval from the Bidders, reserves the right to revise the Price Band during the Bidding Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price disclosed at least one Working Day prior to the Offer Opening Date and the Cap Price will be revised accordingly. Any revision in the Price Band and the revised Bidding Period, if applicable, will be published in English and Hindi national newspapers, i.e., [●] edition of [●] and [●] edition of [●]), each with wide circulation and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the members of the Syndicate.

(b) The Bidders can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion may bid at the Cut-off Price. However, bidding at Cut-off Price is not permitted for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected. Employee Discount will be applicable to all Eligible Employees with a maximum bid in the Employee Reservation Portion being Rs. 100,000. Retail Discount will be applicable to all Retail Individual Bidders with a maximum bid being Rs. 100,000.

(c) Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion who Bid at Cut-off Price should note that they are required to purchase the Equity Shares at the Offer Price. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price. ASBA Bidders, under the categories eligible to Bid at Cut-off Price, need to instruct the SCSBs to block an amount based on the Cap Price.

(d) Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion who Bid at the Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion bidding at Cut-off Price shall deposit the Bid Amount based on the Cap Price in the Escrow Account(s). The Company and the Selling Shareholder in consultation with the BRLMS may decide to offer discount of Rs.[•] to the Offer Price determined pursuant to the completion of the Book Building Process to the Eligible Employees and Retail Individual Bidders.

Electronic Registration of Bids

(a) The members of the Syndicate and the SCSBs will register the Bids using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Bids are being accepted. The Syndicate Members and/or the SCSBs shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the Syndicate Members and the SCSBs, (ii) the Bids uploaded by the Syndicate Members and the SCSBs, (iii) the Bids accepted but not uploaded by the Syndicate Members and the SCSBs or (iv) with respect to ASBA Bids, Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.

(b) The members of the Syndicate and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Offer Closing Date. In case of discrepancy of data between the Stock Exchanges and the members of the Syndicate or the SCSBs, the decision of the members of the Syndicate based on the physical records of Bid Application Forms shall be final and binding on all concerned. If a member of the Syndicate finds any discrepancy in the PAN, DP ID and the beneficiary account number, it will correct the same and the send the data to the Registrar for reconciliation and Allotment.

(c) In case of apparent data entry error by either the members of the Syndicate or the collecting bank in entering the Bid cum Application Form number in their respective schedules other things remaining unchanged, the Bid cum Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s). In the event of mistake in capturing the Bid cum Application Form number by either the members of the Syndicate or the collecting bank leading to rejection of the Bid cum Application Form, the Registrar may identify based on the Bid cum Application Form, the entity responsible for the error.

(d) The Stock Exchanges will offer an electronic facility for registering Bids for the Offer. This facility will be available with the members of the Syndicate and their authorised agents and the SCSBs during the Bidding Period. The members of the Syndicate and the Designated Branches can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building Process on a regular basis. On the Offer Closing Date, the members of the

Syndicate and the Designated Branches shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the Book Running Lead Managers on a regular basis. Bidders are cautioned that a high inflow of high volumes on the last day of the Bidding Period may lead to some Bids received on the last day not being uploaded and such Bids will not be considered for allocation.

(e) Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand and price would be made available at the bidding centres during the Bidding Period.

(f) At the time of registering each Bid, other than ASBA Bids, the members of the Syndicate shall enter the following details of the Bidders in the on-line system:

- Name of the Offeror.
- Name of the Bidder: Bidders should ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the Depositary Account is held. In case the Bid cum Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.
- Investor Category – Individual, Corporate, FII, NRI, Mutual Fund, etc.
- PAN.
- Numbers of Equity Shares Bid for.
- Bid Amount.
- Bid cum Application Form number.
- Cheque details.
- DP ID and client identification number of the beneficiary account of the Bidder.
- Price option.

With respect to ASBA Bids, at the time of registering each Bid, the Designated Branches shall enter the following information pertaining to the Bidder into the on-line system:

- Name of the Bidder(s).
- ASBA Form Number.
- PAN (of First Bidder, in case of more than one Bidder).
- Investor category and sub category.
- DP ID and client identification number.
- Beneficiary account number of Equity Shares Bid for.
- Quantity.
- Bid Amount.
- Bank account number.
- Cheque amount.
- Cheque number.

- A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate or the Designated Branches. The registration of the Bid by the members of the Syndicate or the Designated Branches does not guarantee that the Equity Shares shall be allocated/Allotment either by the members of the Syndicate or our Company.

- Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

- In case of QIBs, the Book Running Lead Managers have the right to accept the Bid or reject it. However, such rejection should be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed on page 246. The Book Running Lead Managers or members of the Syndicate, as the case may be, may also reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect. The SCSBs shall have no right to reject Bids, except on technical grounds.

- The permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the members of the Syndicate are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the Promoter, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

  Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/ Allotment. The members of the Syndicate or the Designated Branches will be given up to one Working Day after the Offer Closing Date to verify the information uploaded in the online IPO system during the Bidding Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL. If the Registrar finds any discrepancy in the DP name, DP Id and the Client Id, the Registrar will correct the same. In case of any discrepancy of data between the Stock Exchanges and the members of the Syndicate or the Designated Branches, the decision of our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers and the Registrar, based on the physical records of Bid cum Application Forms shall be final and binding on all concerned.

Build up of the book and Revision of Bids

(a) Bids received from various Bidders through the members of the Syndicate and the SCSBs shall be electronically uploaded to the Stock Exchanges' mainframe on a regular basis.

(b) The book gets built up at various price levels. This information will be available with the Book Running Lead Managers on a regular basis at the end of the Bidding Period.

(c) During the Bidding Period, any Bidder who has registered his or her Bid at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form.

(d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form, ASBA Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form/ ASBA Form and such Bidder is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate and the Designated Branches will not accept incomplete or inaccurate Revision Forms.

(e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of Syndicate or the same SCSB through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

(f) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Eligible Employees who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 100,000. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 100,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

(g) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.

(h) Our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 5,000 to Rs. 7,000.

(i) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the ASBA Bids, if revision of the Bids results in an incremental amount, the SCSBs shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the members of the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions. In such cases, the members of the Syndicate will revise the earlier Bid details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment.

(j) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and may get a revised TRS from the member of the Syndicate or the SCSB, as applicable. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

(k) **In terms of the SEBI Regulations, QIBs are not allowed to withdraw their Bids after the Offer Closing Date. Since, the Bidding Period for QIBs shall close one day prior to the Offer Closing Date QIBs will not be able to withdraw their Bids after July 29, 2010 i.e., one day prior to the Offer Closing Date.**

Price Discovery and Allocation

(a) Based on the demand generated at various price levels and the book built, our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers shall finalise the Offer Price. Further, Company and the Selling Shareholder, in consultation with the Book Running Lead Managers shall finalise the Retail Discount and the Employee Discount.

(b) Under-subscription in any category, would be allowed to be met with spill-over from any other category or combination of categories, at the discretion of our Company and the Selling Shareholder in consultation with the Book Running Lead Managers and the Designated Stock Exchange.

(c) Allocation to Non-Residents, including Eligible NRIs and FIIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

(d) The Bidding Period for QIBs shall close one day prior to the Offer Closing Date and accordingly the QIBs will not be able to withdraw their Bids after July 29, 2010 i.e., one day prior to the Offer Closing Date.

(e) The Allotment details shall be put on the website of the Registrar to the Offer.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Underwriters and the Registrar to the Offer shall enter into an Underwriting Agreement on or immediately after the finalisation of the Offer Price.

(b) After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC. The Prospectus would have details of the Offer Price, Offer size, underwriting arrangements and would be complete in all material respects.

Pre-Offer Advertisement

Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one regional language daily newspaper, each with wide circulation.

Advertisement regarding Offer Price and Prospectus

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, among others shall indicate the Offer Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allocation Note ("CAN")

(a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Book Running Lead Managers and the Registrar to the Offer shall send to the Syndicate Members a list of the Bidders who have been allocated/allotted Equity Shares in the Offer. The approval of the Basis of Allotment by the Designated Stock Exchange for QIBs may be done simultaneously with or prior to the approval of the basis of allocation for the Retail, Non-Institutional Bidders and and Eligible Employees applying under the Employee Reservation Portion. However, investors should note that our Company shall ensure that: (i) the date of Allotment and (ii) the instructions by the Company for the demat credit of the Equity Shares, to all investors in this Offer shall be done on the same date.

(b) The Registrar will then dispatch a CAN to the Bidders who have been alloted Equity Shares in the Offer.

(c) The Issuance of CAN is subject to any revisions made and any Revised CANs issued pursuant to the same.

(d) The Issuance of CAN shall be deemed a valid, binding and irrevocable contract for the Allotment.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Offer Closing Date, an electronic book will be prepared by the Registrar to the Offer on the basis of Bids uploaded on the BSE/NSE system. This shall be followed by a physical book prepared by the Registrar to the Offer on the basis of Bid cum Application Forms and ASBA Forms received. Based on the electronic book or the physical book, as the case may be, QIBs may be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the final Basis of Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to the SEBI Regulations, certain Bids may be rejected due to technical reasons, non-receipt of funds, insufficient funds, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and the Basis of Allotment as approved by the Designated Stock Exchange. As a result, a revised CAN may be sent to QIBs and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment

(a) Our Company will ensure that (i) that (i) the Allotment of Equity Shares and (ii) credit to the successful Bidder's depository account will be completed within 12 Working Days of the Offer Closing Date.

(b) In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

(c) Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them.

GENERAL INSTRUCTIONS

Do's:

(a). Check if you are eligible to apply under the applicable laws, rules and regulations;

(b). Ensure that you have Bid within the Price Band;

(c). Read all the instructions carefully and complete the Bid cum Application Form;

(d). Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment will be in the dematerialised form only;

(e). Ensure that the Bid cum Application Forms submitted at the Bidding Centres bear the stamp of the members of the Syndicate;

(f). Ensure that you have been given a TRS for all your Bid options;

(g). Submit revised Bids to the same members of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

(h). Except for Bids submitted on behalf of the Central Government or the State Government and officials appointed by a court, all Bidders should mention their PAN allotted under the IT Act;

(i). Ensure that the Demographic Details are updated, true and correct in all respects;

(j). Ensure that the names given in the Bid cum Application Form is exactly the same as the names available in the depository database. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Dont's:

(a). Do not Bid for lower than the minimum Bid size;

(b). Do not Bid/ revise Bid Amount to less than the Floor Price or higher than the Cap Price;

(c). Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate or their affiliates;

(d). Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;

(e). Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;

(f). Do not bid at Cut-off Price (for QIBs and Non-Institutional Bidders, for Bid Amount in excess of Rs. 100,000);

(g). Do not Bid for a Bid Amount exceeding Rs. 100,000 (for Bids by Retail Individual Bidders);

(h). Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

(i). Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground;

(j). Do not Bid for allotment of Equity Shares in physical form; and

(k). Do not submit Bids without the full Bid Amount.

INSTRUCTIONS SPECIFIC TO ASBA BIDDERS

Do's:

1. Check if you are eligible to Bid under ASBA.

2. Ensure that you use the ASBA Form specified for the purposes of ASBA.

3. Read all the instructions carefully and complete the ASBA Form.

4. Ensure that your ASBA Form is submitted at a Designated Branch where the ASBA Account is maintained and not to the Escrow Collecting Banks (assuming that such bank is not a SCSB), to our Company or the Registrar to the Offer or the members of the Syndicate.

5. Ensure that the ASBA Form is signed by the ASBA Account holder in case the ASBA Bidder is not the account holder.

6. Ensure that you have mentioned the correct ASBA Account number in the ASBA Form.

7. Ensure that you have funds equal to the Bid Amount in the ASBA Account before submitting the ASBA Form to the respective Designated Branch.

8. Ensure that you have correctly checked the authorisation box in the ASBA Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Form.

9. Ensure that you receive an acknowledgement from the Designated Branch for the submission of your ASBA Form.

10. Ensure that the name(s) given in the ASBA Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the ASBA Form.

Dont's:

1. Do not Bid on another ASBA Form or on a Bid cum Application Form after you have submitted a Bid to a Designated Branch.

2. Payment of Bid Amounts in any mode other than through blocking of Bid Amounts in the ASBA Accounts shall not be accepted under the ASBA.

3. Do not send your physical ASBA Form by post. Instead submit the same to a Designated Branch.

4. Do not submit the GIR no. instead of PAN.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM AND ASBA FORMS

1. Bid cum Application Forms, ASBA Forms or Revision Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Red Herring Prospectus. Incomplete Bid cum Application Forms, ASBA Forms or Revision Forms are liable to be rejected. Bidders should note that the members of the Syndicate and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms, ASBA Forms or Revision Forms.

2. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal. Bids must be in single name or in joint names (not more than three, and in the same order as their Depository Participant details).

3. Bidders should correctly mention their name, DP ID and Client ID in the Bid cum Application Form, or the ASBA Form, as the case may be. For the purpose of evaluating the validity of Bids, the Demographic Details of Bidders shall be derived from the name, DP ID and Client ID mentioned in the Bid cum Application Form, or the ASBA Form, as the case may be.

4. Information provided by the Bidders will be uploaded in the online IPO system by the members of the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Bidders should ensure that the details are correct and legible.

5. Bids through ASBA must be:

   a. made only in the prescribed ASBA Form or Revision Forms (if submitted in physical mode) or the electronic mode.

   b. made in single name or in joint names (not more than three, and in the same order as their details appear with the Depository Participant).

   c. completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Red Herring Prospectus and in the ASBA Form.

6. If the ASBA Account holder is different from the ASBA Bidder, the ASBA Form should be signed by the ASBA Account holder, in accordance with the instructions provided in the ASBA Form.

7. For ASBA Bidders, the Bids in physical mode should be submitted to the SCSBs on the prescribed ASBA Form. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.

Bidder's PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of PAN of the Bidders, Depository Participant's name, Depository Participant-Identification number and beneficiary account number provided by them in the Bid cum Application Form or ASBA Form, the Registrar to the Offer will obtain from the Depository the Demographic Details of the Bidders. These bank account details would be used for giving refunds (including through physical refund warrants, direct credit, ECS, NEFT and RTGS) or unblocking of ASBA Account. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders or unblocking of ASBA Account at the Bidders sole risk and neither the members of the Syndicate or the Registrar to the Offer or the Escrow Collection Banks or the SCSBs nor our Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form or the ASBA Form, as the case may be.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION

NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM OR ASBA FORM. INVESTORS MUST ENSURE THAT THE DP ID, CLIENT ID AND PAN GIVEN IN THE BID CUM APPLICATION FORM OR ASBA FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IN CASE THE BID CUM APPLICATION FORM OR ASBA FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM OR ASBA FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/allocation advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form or ASBA Form would not be used for any other purpose by the Registrar to the Offer.

By signing the Bid cum Application Form or ASBA Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Offer, the required Demographic Details as available on its records.

Refund orders/allocation advice/CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder (other than ASBA Bidders) in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Bidders sole risk and neither our Company, Escrow Collection Banks, Registrar to the Offer nor the members of the Syndicate shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, PAN of the sole/First Bidder, the DP ID and the beneficiary‘s identity, then such Bids are liable to be rejected.

Bids by Non Residents including Eligible NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI on a repatriation basis

Bids and revision to Bids must be made in the following manner:

1. On the Bid cum Application Form, ASBA Form or the Revision Form, as applicable, and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In a single name or joint names (not more than three and in the same order as their Depositary Participant details).

3. Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Bids by Eligible NRIs for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space

provided for this purpose in the Bid cum Application Form or the ASBA Form. Our Company, Selling Shareholder and the members of the Syndicate will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

As per the existing policy of the GoI, OCBs are not permitted to participate in the Offer.

There is no reservation for Eligible NRIs and FIIs and all applicants will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

By limited companies, corporate bodies, registered societies

A certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be submitted along with the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason therefor.

By FIIs, FVCIs, VCFs and Mutual Funds

A certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be submitted along with the Bid cum Application Form or ASBA Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason.

Our Company at its absolute discretion reserves the right to relax the above conditions of simultaneous lodging of the powers of attorney, subject to the terms and conditions that our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers deem fit.

By Insurance Companies

In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, the Selling Shareholder reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

By provident funds

In case of Bids made by provident funds with minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with minimum corpus of Rs. 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form. Failing this, the Selling Shareholder reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

By ASBA Bidders

In case of an ASBA Bid pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Form. Failing this, our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, reserves the right to reject such Bids.

Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Bid cum Application Form or the ASBA Form, as the case may be, subject to such terms and conditions that our Company and the Book Running Lead Managers may deem fit.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Bidders other than ASBA Bidders

Escrow Account(s) will be opened with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in a certain category would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks, for and on behalf of the Bidders, shall maintain the monies in the Escrow Account. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders until the Designated Date. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Offer Account and the SCSBs will also transfer the funds represented by allocation of Equity Shares from the respective ASBA Accounts to the Public Offer Account. The balance amount after transfer to the Public Offer Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the members of the Syndicate, the Escrow Collection Banks and the Registrar to the Offer to facilitate collections from the Bidders.

Payment mechanism for ASBA Bidders

The ASBA Bidders shall specify the ASBA Account number in the ASBA Form and the relevant SCSB shall block an amount equivalent to the application money in the ASBA Account specified in the ASBA Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/ rejection of the ASBA Bid or receipt of instructions from the Registrar to the Offer to unblock the Bid Amount. In the event of withdrawal or rejection of the ASBA Form or for unsuccessful ASBA Forms, the Registrar to the Offer shall give instructions to the SCSB to unblock the application money in the relevant bank account within 12 Working Days of the Offer Closing Date. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Offer and consequent transfer of the Bid Amount to the Public Offer Account, or until withdrawal/ failure of the Offer or until rejection of the ASBA Bid, as the case may be.

Bidders should note that the escrow mechanism is neither provided under any law or regulation nor has been prescribed by SEBI. The escrow mechanism has been established as an arrangement amongst our Company, the members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Offer to facilitate collections from the Bidders.

Payment into Escrow Account for Bidders other than ASBA Bidders

Each Bidder shall draw a cheque or demand draft or remit the funds electronically for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:

1. All Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid cum Application Form.

2. The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the the members of the Syndicate. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid will be rejected.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

    - In case of resident QIBs: "Escrow Account– EIL Further Public Offer– QIB – R"

    - In case of Non-Resident QIBs: "Escrow Account– EIL Further Public Offer – QIB – NR"

- In case of resident Retail and Non-Institutional Bidders: "Escrow Account– EIL Further Public Offer – R"

- In case of Non-Resident Retail and Non-Institutional Bidders: "Escrow Account– EIL Further Public Offer –NR"

- In case of Eligible Employees: "Escrow Account– EIL Further Public Offer – Employees"

4. In case of Bids by Eligible NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

5. In case of Bids by Eligible NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

6. In case of Bids by FIIs, the payment should be made out of funds held in a 'Special Rupee Account' along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the 'Special Rupee Account'.

7. The monies deposited in the Escrow Account will be held for the benefit of the Bidders (other than ASBA Bidders) till the Designated Date.

8. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Offer Account with the Bankers to the Offer.

9. On the Designated Date and no later than 12 Working Days from the Offer Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also the excess amount paid on bidding, if any, after adjusting for allocation/Allotment to such Bidders.

10. Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stockinvest/money orders/postal orders will not be accepted.

11. Bidders are advised to mention the number of application form on the reverse of the cheque/ demand draft to avoid misuse of instruments submitted along with the Bid cum Application Form.

Payment by cash/ stockinvest/ money order

Payment through cash/ stockinvest/ money order shall not be accepted in this Offer.

Submission of Bid cum Application Form and ASBA Forms

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid. With respect to the ASBA Bidders, the ASBA Form or the Revision Form shall be submitted to the Designated Branches.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the first Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

Bids made by Eligible Employees both under the Employee Reservation Portion as well as in the Net Offer shall not be treated as multiple Bids.

Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. In this regard, the procedures which would be followed by the Registrar to the Offer to detect multiple applications are given below:

1. PAN will be sole criteria for weeding out multiple applications with exception to be taken care of for Mutual Fund applications under different schemes with the same PAN, FII applications under different sub-accounts with same PAN, PMS applications for different schemes with same PAN and individual application by PAN exempted cases such as Sikkim applicants and other specific PAN exempted category.

2. All Bids will be checked for common PAN and will be accumulated and taken to a separate process file which would serve as a multiple master.

3. In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.

4. The Registrar to the Offer will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid cum Application Form or ASBA Form and create an address master.

5. The addresses of all the applications in the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo

match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names. The applications with same name and same address will be treated as multiple applications.

6. The applications will be scrutinised for DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.

Permanent Account Number or PAN

The Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/ her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. **Any Bid cum Application Form or ASBA Form without the PAN is liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground**.

Withdrawal of ASBA Bids

ASBA Bidders can withdraw their Bids during the Bidding Period by submitting a request for the same to the SCSBs who shall do the requisite, including deletion of details of the withdrawn ASBA Form from the electronic bidding system of the Stock Exchanges and unblocking of the funds in the ASBA Account.

In case an ASBA Bidder (other than a QIB bidding through an ASBA Form) wishes to withdraw the Bid after the Offer Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Offer. The Registrar to the Offer shall delete the withdrawn Bid from the Bid file and give instruction to the SCSB for unblocking the ASBA Account after finalization of the 'Basis of Allocation'.

REJECTION OF BIDS

In case of QIBs, our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, and Eligible Employees bidding in the Employee Reservation Portion, our Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk. With respect to ASBA Bids, the Designated Branches shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder's ASBA Account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder's ASBA Account. Further, in case any DP ID, Client ID or PAN mentioned in the ASBA Form does not match with one available in the depository's database, such ASBA Bid shall be rejected by the Registrar to the Offer. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- Amount paid does not tally with the Bid Amount;
- Age of First Bidder not given;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors (other than when represenated by a major guardian), insane persons;

- PAN not mentioned in the Bid cum Application Form or ASBA Form;
- GIR number furnished instead of PAN;
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at a price less than the Floor Price;
- Bids at a price more than the Cap Price;
- Submission of more than five ASBA Forms per ASBA Account;
- Bids at Cut-off Price by Non-Institutional and QIBs;
- Bids for number of Equity Shares which are not in multiples of [•];
- Category not ticked;
- Multiple Bids as defined in this Red Herring Prospectus;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Bids accompanied by Stockinvest/money order/postal order/cash;
- Signature of sole and / or joint Bidders missing;
- ASBA Forms not being signed by the account holders, if the account holder is different from the Bidder;
- Bid cum Application Forms and ASBA Forms does not have the stamp of the members of the Syndicate or the SCSB and/or the Designated Branch, as the case may be;
- Bid cum Application Forms and ASBA Forms do not have Bidder's depository account details;
- Bid cum Application Forms and ASBA Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms and ASBA Forms, Offer Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms and ASBA Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the DP ID and the beneficiary's account number;

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- With respect to ASBA Bids, inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Form at the time of blocking such Bid Amount in the ASBA Account;
- Bids at Cut-Off Price by Non-Institutional Bidders and QIBs;
- Bids by persons who are not Eligible Employees and have submitted their Bids under the Employee Reservation Portion;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids in respect whereof the Bid cum Application Form or ASBA Forms do not reach the Registrar to the Offer prior to the finalisation of the Basis of Allotment;

- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;

- Authorisation for blocking funds in the ASBA Account not ticked or provided;

- Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Form at the time of blocking such Bid Amount in the ASBA Account.

- Bids at Cut-off Price by Non-Institutional Bidders, QIBs bidding in excess of Rs. 100,000;

- Bids by FVCIs without obtaining necessary consents and approvals, if required in terms of any applicable law, rule, regulation or guideline;

- Bids by multilateral and bilateral development institutions;

- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;

- Bids by U.S. residents or U.S. persons excluding "Qualified Institutional Buyers" as defined in Rule 144A under the Securities Act or other than in reliance on Regulation S under the Securities Act;

- Bids not uploaded on the terminals of the Stock Exchanges; and

- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.

IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE BID CUM APPLICATION FORM OR ASBA FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGES OR THE MEMBERS OF THE SYNDICATE/THE SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITORIES, THE APPLICATION IS LIABLE TO BE REJECTED.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Offer:

1. Agreement, dated September 2, 1999 between NSDL, our Company and SRG Infotec Limited.
2. Agreement, dated June 6, 2002 between CDSL, our Company and MAS Services Private Limited.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

(a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

(b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum Application Form, ASBA Form or Revision Form.

(c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

(d) Names mentioned in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

(e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form, ASBA Form or Revision Form, it is liable to be rejected.

(f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form or ASBA Form vis-à-vis those with his or her Depository Participant.

(g) Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

(h) The trading of the Equity Shares would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

Communications

All future communications in connection with Bids made in this Offer should be addressed to the Registrar to the Offer quoting the full name of the sole or first Bidder, Bid cum Application Form or ASBA Form number, Bidders' Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form or ASBA Form, name and address of the member of the Syndicate or the Designated Branch where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

Bidders can contact the Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders can contact the Designated Branches.

PAYMENT OF REFUND

Bidders other than ASBA Bidders must note that on the basis of the PAN of the Bidders, Depository Participant's name, DP ID, beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Offer will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("**MICR**") code as appearing on a cheque leaf. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither our Company, the Registrar to the Offer, Escrow Collection Bank(s), Bankers to the Offer nor the members of the Syndicate shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Mode of making refunds for Bidders other than ASBA Bidders

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through various modes in the following order of preference:

1. NECS – Payment of refund would be done through NECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the abovementioned centres, except

where the applicant, being eligible, opts to receive refund through direct credit or RTGS.

2. Direct Credit – Applicants having bank accounts with the Refund Bank (s), as mentioned in the Bid cum Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.

3. RTGS – Applicants having a bank account at any of the abovementioned centres and whose refund amount exceeds Rs. 5 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid cum Application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. NEFT – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched under certificate of posting for value upto Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Mode of making refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Offer Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

With respect to Bidders other than ASBA Bidders, our Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within 12 Working Days of the Offer Closing Date.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 Working Days from the Offer Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 12 Working Days of the Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within 12 Working Days of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, our Company further undertakes that:

- Allotment shall be made only in dematerialised form within 12 Working Days of the Offer Closing Date; and

- With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 Working Days of the Offer Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder's ASBA Account shall be made within 12 Working Days from the Offer Closing Date.

Our Company shall pay interest at 15% per annum for any delay beyond the 12 Working Days time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the time prescribed above.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"*Any person who:*

(a) ***makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or***

(b) ***otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,***

***shall be punishable with imprisonment for a term which may extend to five years.*"**

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at a discount of Rs. [●] to the Offer Price.

- Not less than 35% of the Net Offer, that is not less than 11,543,581 Equity Shares or the Offer size less Allotment to Non-Institutional and QIBs, whichever is higher shall be available for Allotment to Retail Individual Bidders who have Bid at a price that is equal to or greater than the Offer Price.

- If the aggregate demand in this category is less than or equal to 11,543,581 Equity Shares at or above the Offer Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

- If the aggregate demand in this category is greater than 11,543,581 Equity Shares at or above the Offer Price, the Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate Basis of Allotment, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Offer Price.

- Not less than 15% of the Net Offer, that is not less than 4,947,249 Equity Shares or the Offer size less Allotment to QIBs and Retail, whichever is higher shall be available for Allotment to Non-Institutional Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price.

- If the aggregate demand in this category is less than or equal to 4,947,249 Equity Shares at or above the Offer Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

- In case the aggregate demand in this category is greater than 4,947,249 Equity Shares at or above the Offer Price, Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate Basis of Allotment refer below.

C. For QIBs in the QIB Portion

- Bids received from the QIBs bidding in the QIB Portion at or above the Offer Price shall be grouped together to determine the total demand under this portion. The Allotment to all the QIBs will be made at the Offer Price.

- The QIB Portion shall be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price.

- Allotment shall be undertaken in the following manner:

  (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion, that is 824,542 Equity Shares shall be determined as follows:

    (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion, that is 824,542 Equity Shares, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion, that is 824,542 Equity Shares.

    (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, that is 824,542 Equity Shares, then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Offer Price.

    (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIBs as set out in (b) below;

  (b) In the second instance Allotment to all QIBs shall be determined as follows:

    (i) In the event of oversubscription in the QIB Portion, all QIBs who have submitted Bids above the Offer Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion, that is up to 15,666,288 Equity Shares

    (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs.

    (iii) Under-subscription below 5% of the QIB Portion, that is 824,542 Equity Shares if any, from Mutual Funds, would be included for allocation to the remaining QIBs on a proportionate basis.

- The aggregate Allotment to QIBs bidding in the QIB Portion shall not be up to 16,490,830.

D. For Employee Reservation Portion

a. The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter. The allotment in the Employee Reservation Portion will be on a proportionate basis. Bidders under the Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may bid at Cut-Off Price.

b. The value of Allotment to any Eligible Employee shall not exceed Rs. 100,000.

c. Bids received from the Eligible Employees at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Eligible Employees will be made at a discount of Rs. [•] to the Offer Price.

d. If the aggregate demand in this category is less than or equal to 712,000 Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand. The maximum bid amount under Employees Reservation Portion by an Eligible Employee cannot exceed Rs. 100,000.

e. If the aggregate demand in this category is greater than 712,000 Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis up to a minimum of [•] Equity Shares and in multiple of [•] Equity Share thereafter. For the method of proportionate basis of allocation, refer below.

f. Only Eligible Employees are eligible to apply under the Employee Reservation Portion.

Method of Proportionate Basis of Allotment in the Offer

In the event of the Offer being over-subscribed, our Company and the Selling Shareholder, shall finalise the Basis of Allotment in consultation with the Designated Stock Exchange. The executive director (or any other senior official nominated by them) of the Designated Stock Exchange along with the Book Running Lead Managers and the Registrar to the Offer shall be responsible for ensuring that the Basis of Allotment is finalised in a fair and proper manner in accordance with the SEBI Regulations.

The allocation shall be made in marketable lots, on a proportionate basis as explained below:

a) Bidders will be categorised according to the number of Equity Shares applied for.

b) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

c) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

d) In all Bids where the proportionate Allotment is less than [•] Equity Shares per Bidder, the Allotment shall be made as follows:

- The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and

- Each successful Bidder shall be allotted a minimum of [•] Equity Shares.

e) If the proportionate Allotment to a Bidder is a number that is more than [•] but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.

f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

A. Offer Details

Sr. No.	Particulars	Offer details
1.	Offer size	202 million equity shares
2.	Employee Reservation Portion	2 million equity shares
3.	Net Offer Size	200 million equity shares
4.	Portion available to QIBs (50%)	100 million equity shares
	Of which:	
	a. Allocation to MF (5%)	5 million equity shares
	b. Balance for all QIBs including MFs	95 million equity shares
5.	No. of QIB applicants	10
6.	No. of shares applied for	500 million equity shares

B. Details of QIB Bids

Sr. No.	Type of QIBs #	No. of shares bid for (in million)
1.	A1	50
2.	A2	20
3.	A3	130
4.	A4	50
5.	A5	50
6.	MF1	40
7.	MF2	40
8.	MF3	80
9.	MF4	20
10.	MF5	20
	Total	**500**

A1-A5: (QIBs other than MFs), MF1-MF5 (QIBs which are Mutual Funds)

C. Details of Allotment to QIBs / Applicants

(Number of equity shares in million)

Type of QIBs	Shares bid for	Allocation of 5 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 95 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	**(II)**	**(III)**	**(IV)**	**(V)**
A1	50	0	9.60	0

Type of QIBs	Shares bid for	Allocation of 5 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 95 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
A2	20	0	3.84	0
A3	130	0	24.95	0
A4	50	0	9.60	0
A5	50	0	9.60	0
MF1	40	1	7.48	8.48
MF2	40	1	7.48	8.48
MF3	80	2	14.97	16.97
MF4	20	0.50	3.74	4.24
MF5	20	0.50	3.74	4.24
	500	**5**	**95**	**42.42**

Please note:

1. The illustration presumes compliance with the requirements specified in this Red Herring Prospectus in "Offer Structure" beginning on page 219.

2. Out of 100 million equity shares allocated to QIBs, 5 million (i.e. 5%) will be allocated on proportionate basis among five Mutual Fund applicants who applied for 200 million equity shares in QIB category.

3. The balance 95 million equity shares (i.e. 100 - 5 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 500 million equity shares (including five MF applicants who applied for 200 million equity shares).

4. The figures in the fourth column entitled "Allocation of balance 95 million equity shares to QIBs proportionately" in the above illustration are arrived as under:

   - For QIBs other than Mutual Funds (A1 to A5) = No. of equity shares bid for (i.e. in column II) X 95 / 495

   - For Mutual Funds (MF1 to MF5) = [(No. of shares bid for (i.e. in column II of the table above) less equity shares allotted (i.e., column III of the table above)] X 95 / 495

   - The numerator and denominator for arriving at allocation of 95 million equity shares to the 10 QIBs are reduced by 5 million equity shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

Letters of Allotment or Refund Orders or instructions to the SCSBs

Our Company shall give credit to the beneficiary account with depository participants within 12 Working Days from the Offer Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through ECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. Our Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500, by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or first Bidder's sole risk within 12 Working Days of the Offer Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 12 Working Days of the Offer Closing Date. In case of ASBA Bidders, the Registrar to the Offer shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Offer Closing Date.

Interest in case of delay in despatch of Allotment Letters or Refund Orders/ instruction to SCSB by the Registrar to the Offer

Our Company agrees that: (i) Allotment; and (ii) credit to the successful Bidders' depositary accounts will be completed within 12 Working Days of the Offer Closing Date.

Our Company further agrees that it shall pay interest at the rate of 15% p.a. if the Allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within 12 Working Days from the Offer Closing Date.

Our Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Offer.

Refunds will be through any of the modes described under the heading "Payment of Refund" and bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- That the complaints received in respect of this Offer shall be attended to by our Company expeditiously and satisfactorily;

- That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within 12 Working Days of finalisation of the Basis of Allotment;

- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 Working Days of the Offer Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- That the Promoter's contribution in full has already been brought in;

- That the certificates of the securities/ refund orders to the Eligible NRIs shall be despatched within specified time;

- That no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.; and

- That adequate arrangements shall be made to collect all ASBA Forms and to consider them similar to non-ASBA applications while finalising the Basis of Allotment.

Withdrawal of the Offer

The Selling Shareholder, in consultation with the BRLMs, reserves the right not to proceed with the Offer anytime after the Offer Opening Date but before the Allotment of Equity Shares. In such an event, a public notice would be issued in the newspapers, in which the pre-Offer advertisements were published, within two days of the Offer Closing Date, providing reasons for not proceeding with the Offer. The Stock Excchanges shall also be promptly informed of the same. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day from the day of receipt of such notification.

In the event the Selling Shareholder in consultation with the BRLMs withdraws the Offer after the Offer Closing Date, a fresh offer document will be filed with the RoC/SEBI in the event we subsequently decide to proceed with the further public offering.

Utilisation of Offer proceeds

The Selling Shareholder along with the Company declares that all monies received out of this Offer shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act.

The Selling Shareholder shall not have recourse to the Offer proceeds until Allotment of the Equity Shares in the Offer.

UNDERTAKINGS BY THE SELLING SHAREHOLDER

The Selling Shareholder undertakes the following:

- All the steps for completion of the necessary formalities for transfer, listing and commencement of trading at all stock exchanges where the securities are listed are taken within 12 Working Days of finalisation of Basis of Allotment;
- The funds required for making refunds to unsuccessful applicants or dispatch of Allotment advice by registered post or speed post as per the modes described in the Red Herring Prospectus and the Prospectus shall be made available to the Registrar to the Offer.
- That adequate arrangements shall be made to collect all ASBA Forms and to consider them similar to non-ASBA applications while finalising the Basis of Allotment.
- The certificates of the securities/ refund orders to the non-resident Indians shall be dispatched within the specified time;
- That the Offer Price of the Equity Shares to be sold in the Offer at a premium may be determined through the Book Building Process.
- That the transfer of Equity Shares and refunds relating to the Offer shall be made within 12 working days of the Offer Closing Date as far as possible, and that the Selling Shareholder shall pay interest of 15% per annum if allotment has not been made and refund orders have not been dispatched within the aforesaid period.
- If the Selling Shareholder does not proceed with the Offer after the Offer Opening Date, the reason thereof shall be given as a public notice within two Working Days of the Offer Closing. The public notice shall be issued in the same newspapers where the pre-Offer advertisement had appeared. The stock exchanges where the Equity Shares are listed shall also be informed promptly.
- If the Selling Shareholder withdraws the Offer after the Offer Closing Date, the Company shall be required to file a fresh draft offer document with the Securities and Exchange Board of India in the event, the Company subsequently decides to proceed with the further public offering.
- That there shall be no recourse to the proceeds of the Offer until the Equity Shares are transferred to the successful Bidders in the Offer.

Subscription by foreign investors (NRIs/FIIs)

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

There is no reservation for Eligible NRIs and FIIs registered with SEBI. All Eligible NRIs and FIIs will be treated on the same basis with other categories for the purpose of allocation.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and, unless so registered, may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this RHP as "U.S. QIBs"; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this RHP as "QIBs"), in transactions exempt from the registration requirements of the Securities Act and (b) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that the each provision herein below is numbered as per the corresponding article number in the Articles of Association. All defined terms used in this section have the meaning given to them in the Articles of Association.

GENERAL

2. Save as reproduced in these Articles or made applicable by the Act the regulations contained in Table 'A' in the First Schedule to the Act shall not apply to the Company.

3. Save as permitted by Section 77 of the Act, the funds of the Company shall not be employed in the purchase of, or lent on the security of, shares of the company and the Company shall not give, directly or indirectly, any financial assistance, whether by way of loan, guarantee, the provision of security or otherwise, for the purpose of or in connection with any purchase of or subscription for shares I the Company or any company of which it may, for the time being, be a subsidiary.

   The Article shall not be deemed to affect the power of the Company to enforce repayment of loans to members or to exercise a lien conferred by Article 31.

SHARE CAPITAL

4. The Share Capital of the Company shall be Rs.300,00,00,000/- (Rupees Three Hundred Crores) divided into 60,00,00,000 equity shares of Rs.5/- each'"

4A The Share Capital of the Company shall be of two types viz.

(i) Equity Share Capital
(a) With voting rights, or
(b) With differential rights as to dividend, voting or otherwise in accordance with such rules and subject to such conditions as may be prescribed from time to time under the Act.
(i) Preference Share Capital

5. Subject to the provision of these Articles the shares shall be under the control of the Board of Directors who may allot or dispose of the same or any of them to such persons, upon such terms and conditions at such times, and upon such consideration as the Board may think fit. Provided that option or right to call of shares shall not be given to any person(s) without the sanction of the Company in General Meeting.

7. The Company may exercise the powers of paying commissions conferred by Section 76 of the Act and in such case shall comply with the requirements of that Section. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid share or partly in one way and partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.

8 With the previous authority of the Company in General Meeting and the sanction of the Company Law Board and upon, otherwise complying with Section 79 of the Act, the Board may issue at discount shares of a class already issued.

9. If, by the conditions of allotment of any share, the whole or part of the amount or Offer Price thereof shall, be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the shares or by his executor or administrator.

10. The joint-holder of a share shall be severally as well a jointly liable for the payment of all installments and calls due in respect of such shares.

11. Save as herein otherwise provided the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not except as ordered by a court of competent jurisdiction, or as by statute required, be bound to recognize any equitable or other claim to or interest in such shares on the part of any other person.

12. Share may be registered in the name of any person, company or other body corporate. Not more than four persons shall be registered as joint-holders of any share.

CERTIFICATES

13 "Subject to the provision of the Companies (Issue of Share Certificates) Rules, 1960, or any statutory modification or reenactment thereof, Share Certificates shall be issued as follows:

(1) The Certificates of Title of Shares and duplicates thereof when necessary shall be issued under the Seal of the Company which shall be affixed in the presence of (i) two Directors or a Director and a person acting on behalf of another Director, under a duly registered Power of Attorney or two persons acting as Attorneys for two Directors as aforesaid; and (ii) the Company Secretary or some other person appointed by the Board for the purpose, all of whom shall sign such Share Certificate.

(2) Every member shall be entitled, without payment, to one or more Certificates in marketable lots, for all the shares of each class or denomination registered in his name.

(3) Unless the conditions of issue of any Share otherwise provide, the Company shall, within three months after date of either allotment and or surrender to the Company of its letter making the allotment or of its fractional coupons of requisite value (save in the case of issue against letters of acceptance or of renunciation or in case of issue of Bonus Shares) or within two months of receipt of the application for registration of the transfer of any of its Shares, as the case may be, complete and have ready for delivery the Certificate of such Shares.

(4) Every Certificate of Shares shall be under the Seal of the Company and shall specify the number of shares and distinctive numbers of Shares in respect of which it is issued and amount and paid up thereon and shall be in such form as the Directors may prescribe or approve.

(5) In respect of any Share held jointly by several persons, the Company shall not be bound to issue more than one Certificate and delivery of a Certificate to one of several joint holders shall be sufficient delivery to all such holders.

(6) If any Certificate of any shares or shares be surrendered to the Company for subdivision or consolidation or if any Certificate be defaced, torn or old, decrepit, worn-out or where the cages in the reverse for recording transfers have been fully utilized, then, upon surrender thereof to the Company, the Board may order the same to be cancelled and may issue a new Certificate in lieu thereof; and if any certificate be lost or destroyed, then, upon proof thereof to the satisfaction of the Board, and on such indemnity as the Board thinks fit being given, a new certificate in lieu thereof shall be given to the party entitled to the shares to which such lost or destroyed certificate shall relate. Where a new certificate has been issued as aforesaid it shall state on the face of it and against the stub or counterfoil that it is reissued in lieu of a Share Certificate is a duplicate issued in place of one which has been lost or destroyed, the word "duplicate" shall be stamped or punched in bold letters across the face thereof.

(7) For every Certificate issued under this Article, there shall be paid to the Company the sum of Rs.2/- or such smaller sum together with such out of pocket expenses incurred by the Company in investigating evidence as the Board may determine.

Provided that no fee shall be changed for the issue of New Certificates in replacement of those which are old, decrepit or worn-out or where the cages on reverse for recording transfers have been fully utilized.

CALLS

14. The Board may, from time to time, subject to the terms on which any shares may have been issued, and subject to the provisions of Section 91 of the Act, make such calls as the Board thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board. A call may be made payable by installments and shall be deemed to have been made when the resolution of the Board authorizing such call was passed.

15. No call shall exceed one-fourth of the nominal amount of a share, or be made payable within one month after the last preceding call was payable. Not less than fourteen days Notice of any call shall be given specifying the time and place of payment and the person and persons to whom such call shall be paid. Provided that the Director may from time to time at their discretion extend the time fixed for the payment of any call and may extend such time to all or any of the member whom the Director may deem fit for extension but no member shall be entitled to such extension save as matter of grace and favour.

16. (1) If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof, the holder for the time being in respect of the share for which the call shall have been made or the installment shall be due shall pay interest for the same at the rate of 6 per cent per annum from the day appointed for the payment thereof to the time of the actual payment or at such lower rate (if any) as the Board may determine.

(2) The Board shall be at liberty to waive payment of any such interest either wholly or in part.

17. If by the terms of issue of any share or otherwise any amount is made payable upon allotment or at any fixed time or by installments at fixed times, whether on account of the amount of the share or by way of premium every such amount or installment shall be payable as if it were a call duly made by the Board and of which due notice had been given, and all the provisions herein contained in respect of calls shall relate to such amount or installment accordingly.

18. Subject to the provisions of any other law in force on the trial or hearing or any action or suit brought by the Company against any member or his representatives to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is, or was, when the claim arose on the Register as a holder, or as one of the holders of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Board who made any calls, nor that a quorum was present at the Board meeting at which any call was made was duly convened or constituted, nor any other matter whatsoever, but the proof of the matters aforesaid shall

19. (1) The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to, and receive from, any Member willing to advance same whole or any part of the moneys due upon the Shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the Company may pay interest not exceeding 6% per annum unless the Company in General Meeting shall direct otherwise, at such rate, as the Member paying such sum agree

upon, provided that money paid in advance of calls shall not confer a right to participate in profits or dividends. The Directors may at any time repay the amount so advanced.

(2) The members shall not be entitled to any voting rights in respect of moneys so paid by him until the same would but for such payment, become presently payable.

(3) The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.

20. A call may be revoked or postponed at the discretion of the Board.

FORFEITURE AND LIEN

21. If any member fails to pay any call or installment of a call on or before the day appointed for the payment of the same the Board may, at any time thereafter during such time as the call or installment remains unpaid, serve a notice on such member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

22. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time, and at the place appointed, the shares in respect of which such call was made or installment is payable will be liable to be forfeited.

23. If the requisition of any such notice as aforesaid be not complied with any shares in respect of which notice has been given may, at any time thereafter, before payment of all calls or instalments, interest and expenses, due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

24. When any share shall have been so forfeited notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

25. Any share so forfeited shall be deemed to be the property of the Company, and the Board may sell, re-allot or otherwise dispose of the same in such manner as it thinks fit.

26. The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annual the forfeiture thereof upon such conditions as it think fit.

27. A person whose share has been forfeited shall cease to be a member in respect of the share, but shall notwithstanding such forfeiture remain liable to pay, and shall forthwith pay to the Company, all calls, or instalments, interest and expenses, owning upon or in respect of such share, at the time of the forfeiture, together with interest thereon, from the time of forfeiture until payment at 6 per cent annum and the Board may enforce the payment thereof, or any part thereof, without any deduction allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.

28. A duly verified declaration in writing that the declarant is a Director or Secretary of the Company, and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and such declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposition thereof shall constitute a good title to such shares; and the person to whom any such share is sold shall be registered as the holder of such share and shall not be bound to see to the application of the purchase money, nor shall his title to such share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.

29. The provisions of Articles 21 to 28 hereof shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of a share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

30. The Company shall have a first and paramount lien on every share, (not being a fully paid share), for all moneys whether presently payable or not, called or payable at fixed time in respect of that share; but the Company shall have no general lien on such partly paid-up share. The Board may at any time declare any share to be wholly or in part exempt from the provisions of the Article. The Company shall have no lien on its fully paid-up shares.

31. For the purpose of enforcing such lien the Board may sell the share subject thereto in such manner as it thinks fit, but no sale shall be made until such time for payment as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member, his executor or administrator or his committee, curator bonus or other legal representative as the case may be and default shall have been made by him or them in the payment of the moneys called or payable at a fixed time in respect of such share for fourteen days after the date of such notice.

32. The net proceeds of the sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the share before the sale) be paid to the person entitled to the share at the date of the sale.

33. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board may appoint some person to execute an instrument of transfer of the share sole and cause in the purchaser's name to be entered in the Register in respect of the share sold, and the purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money, and after his name has been entered in the Register in respect of such share the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

34. Where any share under the power in that behalf herein contained is sold by the Board and the certificate in respect thereof has not been delivered upto the Company by the former holder of such share, the Board may issue a new certificate for such share distinguishing it in such manner as it may think fit from the Certificate not so delivered up.

TRANSFER AND TRANSMISSION

35. Save as provided in Section 108 of the Act, no transfer of a share shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to the Company together with the Certificate or, if no such certificate is in existence the letter of allotment of the share. Each signature to such transfer shall be duly attested by the signature of one credible witness who shall add his address and occupation.

36. Application for the registration of the transfer of a share may be made either by the transferor, or the transferee, provided that, where such application is made by the transferor, no register shall, in the case of a partly paid share, be effected, unless the company gives notice of the application to the transferee in the manner prescribed by Section 110 of the Act, and subject to the provisions of these Articles the Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register the name of the transferee in the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee.

37. The instrument of transfer shall be in writing and all provisions of Section 108 of the Act or statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

38. Subject to the provisions of Section 111 of the Act and Section 22A of the Securities Contract Regulations) Act, 1956, the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether duly paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a Member of the Company but in such cases, the Director shall, within one month from the date on which the instrument of transfer was lodged, with the Company send to the Transferee and Transferor, Notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the Transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the Shares. Transfer of Shares/Debentures in whatsoever lot shall not be refused.

39. No transfer shall be made, to a minor, insolvent or person of unsound mind.

40. Every instrument of transfer shall be left at the office for registration, accompanied by the certificate of the share to be transferred or, if no such certificate is in existence, by the Board may require to prove the title of the transferor and his right to transfer the share. Every instrument of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Board may refuse to register shall, on request, be returned to the person depositing the same.

41. If the Board refuses whether in pursuance of Article 39 or otherwise to register the transfer of or the transmission by operation of law of the right to, any share, the Company shall within two months from the date on which the instrument of transfer or the intimation of such transmission, as the case may be, was lodged with the Company, send to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, notice of the refusal.

42. No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and Letters of Administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

43. The executor or administrator of a deceased member (not being one of two or more joint holders) shall be the only person recognized by the Company as having any title to the shares registered, in the name of such member, and, in case of the death of any one or more of the Joint-holders of any registered shares, the survivor will be the only person recognized by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on the share held by him jointly with any other person. Before recognizing any executor or administrator, the Board may require him to obtain a Grant of Probate or Letter of Administration or other legal representation, as the case may be, from a competent Court in India and having effect in Delhi. Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or Letters of Administration or such other legal representation upon such terms as to indemnify or otherwise as the Board, in its absolute discretion, may consider adequate.

44. Any committee or guardian of a lunatic or minor member or any person becoming entitled to or to transfer a share in consequence of the death or bankruptcy or insolvency of any member, upon producing such evidence that he sustains the character in respect of which he proposes to act under this article or of this title as the Board thinks sufficient, may, with the consent of the Board (which the Board shall not be bound to give), be registered as a member in respect of such share, or may, subject to the regulations as to transfer hereinbefore contained, transfer such share, This Article is hereinafter referred to as “The Transmission Article”.

45. (1) If the person so becoming entitled under the Transmission Article shall elect to be registered as holder of the share himself he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

(2) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of instruments of transfer of a share shall be applicable to any such notice of transfer as aforesaid as if the death, lunacy, bankruptcy or insolvency of the member had not occurred and the notice of transfer were a transfer signed by that member.

46. A person so becoming entitled under the Transmission Article to a share by reason of the death, lunacy, bankruptcy or insolvency of the holder shall, subject to the provisions of Article 44 and of Section 206 of the Act, be entitled to the same dividends and other advantages as he would be entitled to if he were the registered holder of the share.

Provided that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share, until the requirements of the notice have been complied with.

46A. Notwithstanding anything contained in any other Article or in any other law for the time being in force, where a nomination has been made in the manner prescribed in Section 109A of the Act, purporting to confer on any person the right to vest the shares in, or debentures of the Company, the nominee shall, on the death of the shareholder or holder of debentures of the Company or, as the case may be, on the death of joint holders, become entitled to all the rights in the shares or debentures of the Company, or as the case may be, all the joint holders in relation to such shares in, or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

46B. (1) Notwithstanding anything contained in these Articles, any person who becomes a nominee by virtue of the provisions of Section 109A of the Act, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect either.

(a) To be registered himself as holder of share(s) or debenture(s), as the case may be; or

(b) To make such transfer of the share(s) or debenture(s), as the case may be, as the deceased shareholder or debenture holder, as the case may be, could have made.

(2) If the person being a nominee, so becoming entitled, elects to be registered as holder of the share(s) or debenture(s), himself, as the case may be, he/she shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied by the death certificate of the deceased shareholder or debenture holder, as the case may be.

(3) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares or debentures shall be applicable to any such notice or transfer as aforesaid, as if the death of the member had not occurred and the notice or transfer were a transfer signed by that shareholder or debenture holder, as the as may be.

(4) A person, being a nominee entitled to share(s) or debenture(s) by reason of the death of the holder, shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share(s) or debenture(s), except that he shall not before being registered as a member in respect of his share(s) or debenture(s) be entitled in respect of it, to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share(s) or debenture(s) and if the notice is not complied with within ninety days, the Board may thereafter without payment of all dividends, bonuses or other moneys payable in respect of the share(s) or debenture(s) until the requirements of the notice have been complied with.

INCREASE AND REDUCTION OF CAPITAL

47. Before the issue of any new shares, the Company by a Special Resolution in general meeting may make provisions as to the allotment and issue of the new shares, and in particular may determine to whom the same shall be offered in the first instance and whether at par or at a premium or, subject to the provisions of Section 79 of the Act, at a discount; in default of any such provisions, or so far as the same shall not extend, the new shares may be issued in conformity with the provisions of Article 5.

48. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered part of the existing capital of the Company and shall be subject to the provisions herein contained with reference to the payment of dividends, calls and installments, transfer and transmission, forfeiture, lien, surrender and otherwise.

49. The Company, may, from time to time, by Special Resolution, reduce its capital and any Capital Redemption Reserve Account or Share Premium Account in any manner and with and subject to any incident authorized and consent required by law.

ALTERATION OF CAPITAL

50. The Company in general meeting may from time to time:

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;

(c) cancel any shares which at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

(d) convert all or any of its fully paid up shares into stock and reconvert that stock into fully paid-up shares of any denomination.

51. Subject to the provisions of the Sections 100 to 105 inclusive of the Act, the Board may accept from any member the surrender on such terms and conditions as shall be agreed upon of all or any of his shares.

DEMATERIALIZATION OF SECURITIES

51A (A) Notwithstanding anything contained in these Articles, the Company shall be entitled and other securities (both present and future) held by it with the Depository and to offer its shares, debentures and other securities for subscription in a dematerialized from pursuant to the Depositories Act, 1996 and the rules/regulations framed thereunder, if any Option for investors :

(a) Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of securities can at any time out of a Depository, if permitted by law, in respect of any security and the Company shall, in the manner and within the time prescribed provided by the Depositories Act, 1996 issue to the beneficial owner the required certificate of securities.

(b) If a person opts to hold his security with a depository, then notwithstanding anything to the contrary in the Act or in these Articles, the Company shall intimate such Depository the details of allotment of the security and on receipt of the information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the security.

(c) All securities held by a Depository shall be dematerialized and shall be in fungible form. Nothing contained in Section 153 of the Act shall apply to a Depository in respect of securities held by it on behalf of the beneficial owners.

(d) (i) Notwithstanding anything to the contrary contained in the Act or in these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

(ii) Save as otherwise provided in (i) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of securities held by it.

(iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member/debenture holder, as the case may, of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a Depository.

(e) Notwithstanding anything to the contrary contained in the Act or in these Article to the contrary where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic made or by delivery of floppies or discs.

(f) Notwithstanding contained in the Act or in these Articles, shall apply to transfer or transmission of securities where the Company has not issued any certificates and where such shares or debentures or securities are being held in an electronic and fungible form in a Depository. In such cases, the provisions of the Depositories Act, 1996 shall apply.

(g) Notwithstanding anything to the contrary contained in the Act or these Articles, after any issue where the securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

(h) Nothing contained in the Act or in these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held by a Depository.

(i) Notwithstanding anything contained in these Articles, the Company shall have the right to issue securities in a public offer in dematerialized form as required by applicable laws and subject to the provisions of applicable law, trading in the securities of the Company shall be in the demat segment of the relevant stock exchanges, in accordance with the directions of SEBI, the stock exchanges and the terms of the listing agreements with the stock exchanges.

MODIFICATION OF RIGHTS

52. If at any time the share capital is divided into different classes of shares the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a Special Resolution passed at a Separate General Meeting of the holders of the shares of the class. To every such Separate General Meeting the provisions of these Articles relating to general meetings shall apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-fifth of the issued shares of the class but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those members who are present shall be a quorum and that any holder of shares of the class present in person or by

proxy may demand a poll and, on a poll, shall have one vote for each share of the class of which he is the holder. This Article is not by implication to curtail the power of modification which the Company would have if this Article were omitted. The Company shall comply with the provisions of Section 192 of the Act as to forwarding a copy of any such agreement or resolution to the Registrar.

BORROWING POWERS

53. The Board may, from time to time, at its discretion, subject to the provisions of Section 292, 293 and 370 of the Act, raise or borrow, and secure the payment of any sum or sums of money for the purposes of the Company; provided that the Board shall not without the sanction of the Company in general meeting borrow any sum of money which together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purpose.

54. The Directors may, subject to the approval of the President, secure the repayment of such moneys in such manner and upon such terms and conditions in all respects as they think fit and in particular, by the issue of bonds, perpetual or redeemable debentures or debenture – stock or any mortgage, charge or any other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

55. (1) Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

(2) Debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

56. Save as provided in Section 108 of the Act, no transfer of debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee had been delivered to the Company together with the certificate or certificates of the debentures.

57. If the Board refuses to register the transfer of any debentures of the Company, shall, within two months from the date on which the instrument of transfer was lodged with Company, send to transferee notice of the refusal.

GENERAL MEETINGS

58. The Statutory Meeting of the Company shall, as required by Section 165 of the Act, be held at such time not being less than one month nor more than six months from the date at which the Company shall be, entitled to commence business and at such place as the Board may determine, and the Board shall comply with the other requirements of that Section as to the report to be submitted and otherwise.

In addition to any other meetings, general meetings of the Company shall be held within such intervals as are specified in Section 166(1) of the Act and subject to the provisions of the Section 166(2) of the Act at such times and places as may be determined by the Board. Each such General Meeting shall be called an "annual general meeting" and shall be specified as such in the notice conening the meeting the meeting. Any other meeting of the Company shall except in the case where an Extraordinary General Meeting as convened under the provisions of the next following Article, be called a "General Meeting."

59. The Board may, whenever it thinks fit, call a general meeting and it shall on the requisition of the Members, in accordance with Section 169 of the Act, proceed to call an Extraordinary General Meeting. The requisitionists may, in default of the Board convening the same, convene the Extraordinary General Meeting as provided by Section 169 of the Act.

60. The Company shall comply with the provisions of Section 188 of the Act as to giving notice of resolutions and circulating statements on the requisition of members.

61. Save as provided in sub-section (2) of Section 171 of the Act, not less than twenty one day's notice shall be given of every general meeting of the Company. Every notice of a meeting shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company. Where any such business consist of "special business" as hereinafter defined there shall be annexed to the notice a statement complying with Section 173(2) and (3) of the Act.

Notice of every meeting of the Company shall be given to every member of the Company, to the Auditors of the Company and to any persons entitled to a share in consequence of the death or insolvency of a member in any manner hereinafter authorized for the giving of notices to such persons' provided that a member of the Company domiciled outside of India shall be entitled to require the sending of notice to such domicile by registered air post. The accidental omission to give any such notice to or the non-receipt of any such notice by any member shall not invalidate the proceedings at any meetings.

62. Subject to the provisions of Section 171(2) of the Act, General Meeting may be convened by shorter notice than 21 days.

PROCEEDINGS AT GENERAL MEETING

63. The ordinary business of an Annual General Meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet and the Reports of the Directors and of the Auditors, to elect Directors in the place of those retiring by rotation, and to declare dividends. All other business transacted at any other general meeting shall be deemed special business.

64. Five members present in person shall be quorum for a General Meeting and no business shall be transacted at any General Meeting unless the quorum requisite is present at the commencement of the business.

65. If within half an hour from the time appointed for the meeting a quorum be present, the meeting, if convened upon requisition of Members as aforesaid, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such time and place as the Board may by Notice appoint.

66. Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in General Meeting shall be sufficiently so done or passed if effected by the Ordinary Resolution as defined in Section 189(1) of the Act unless either the Act or these Articles specifically require such act to be done or resolution passed by a Special Resolution as defined in Section 189(2) of the Act, or in any other manner.

67. The Chairman of the Board shall be entitled to take the chair at every general meeting. If there be no such Chairman, or if at any meeting he shall not be present within half an hour after the time appointed for holding such meeting, or is unwilling to act as Chairman, the members present shall choose another Director as Chairman, and if no Director be present; or if all the Directors present decline to take the chair, then the members present shall, on show of hands or on a poll if demanded elect one of their members, being a member entitled to vote, to be Chairman.

68. Every question submitted to a meeting shall be decided, in the first instance by a show of hands, and in the case of an equality of votes, both on a show of hands and on poll if any, the Chairman of the meeting shall have a casting vote in addition to the vote to which he may be entitled as a member.

69. At any general meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by either the Chairman of his own motion or by at least two members having the right to vote on the resolution in question and present in person or by proxy, or by any member or members present in person or by proxy and having not less than one-tenth of the total voting power in respect of such resolution, or by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote on such Resolution, being shares on which an aggregate sum has been paid up which is not less than one-tenth of the total sum paid up all the shares conferring that right, a declaration by the Chairman that the resolution has or has not been carried or has or has not been carried either unanimously, or by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of that fact, without proof of the number or proportion of the votes cast in favour of, or against the resolution.

70. (1) If a poll be demanded as aforesaid, it shall be taken in such manner as the Chairman directs subject to Sections 184 and 185 of the Act, and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was demanded.

(2) A poll demanded on the election of the Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time, not later than 48 hours from the time when the demand was made, as the Chairman of the meeting may direct.

(3) The demand of a poll may be withdrawn at any time.

(4) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers one at least of whom shall be a member (not being an officer or employee of the Company) present at the meeting provided such a member is available and willing to be appointed, to scrutinize the votes given on the poll and to report to him thereon.

(5) On a poll a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

(6) The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

71. (1) The Chairman of a general meeting may adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(2) When a meeting is adjourned it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTES OF MEMBERS

72. (1) Save as hereinafter provided, on a show of hands, every member present in person and being a holder of Equity Shares shall have one vote and every person present either as a Proxy (as defined in Article 77) on behalf of a holder of Equity Shares, if he is not entitled to vote in his own right or, as a duly authorized representative of a body corporate, being a holder of Equity shares, shall have one vote.

(2) Save as hereinafter provided, on a poll the voting rights of a holder of Equity Shares shall be as specified in Section 87 of the Act.

Provided that no body corporate shall vote by proxy so long as a resolution of its board of Directors under the provisions of Section 187 of the Act is in force and the representative named in such resolution is present at the general meeting at which the vote by proxy is tendered.

72A. The Company may pass such resolutions by postal ballot in the manner prescribed by Section 192A of the Act and such other applicable provisions of the Act and any future amendments or re-enactments. Notwithstanding anything contained in the provisions of the Act, the Company being a listed Company, shall in the case of a resolution relating to such business which the Central Government may, by notification, declare to be conducted only by postal ballot, get such resolution passed by means of a postal ballot instead of transacting the business in a general meeting of the Company.

73. (1) Where a body corporate hereinafter called "member Company") is a member of the Company, a person, duly appointed by resolution in accordance with the provisions of Section 187 of the Act to represent such member Company at a meeting of the Company, shall, by reason of such appointment, be deemed to be a proxy, and the lodging with the Company at the Office or production at the meeting of a copy of such resolution duly signed by one director of such member Company and by its Managing Agents (if any) and certified by him or them as being a true copy of the resolution shall, on production at the meeting, be accepted by the Company as sufficient evidence of the validity of his appointment. Such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy on behalf of the member could exercise if it were an individual member.

(2) Where the President of India is a member of the Company, the President may appoint such person as he thinks fit to act as his representative at any meeting of the Company or at any meeting of any class of Members of the Company and such person shall be deemed to be a member of the Company and shall be entitled to exercise the same rights and powers including the right to vote by proxy, as the President could exercise as member of the Company.

74. Any person entitled under the Transmission Article to transfer any share may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Board of his right to transfer such shares, unless the Board shall have previously admitted his right to vote at such meeting in respect thereof. If any member be a lunatic, idiot or non compos mentis, he may vote whether on a show of hands or at a poll by his committee, curator bonis or other legal curator and such last mentioned persons may give their votes by proxy.

75. While there are joint registered holders of any share anyone of such persons may vote at any meeting either personally or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting either personally or by proxy that one of the said persons, so present whose name stands first on the register in respect of such share alone shall be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share is registered shall for the purposes of this Article be deemed joint-holders thereof.

76. On a poll votes may be given either personally or by proxy, and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

77. The instrument appointing a proxy shall be in writing under the hand of appointer or of his Attorney duly authorized in writing or if such appointer is a body corporate be under its common seal or the hands of its officer or Attorney duly authorized. A proxy who is appointed for a specified meeting only shall be called a special Proxy. Any other Proxy shall be called a General Proxy.

A person may be appointed a proxy though he is not a member of the Company and every notice convening a meeting of the Company shall state this and that a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him.

78. The instrument appointing a proxy and the Power of Attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power of authority, shall be deposited at the Office not less than forth-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote in respect thereof and in default the instrument of proxy shall not be treated as valid.

79. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been insanity, revocation or transfer of the share shall have been received by the Company at the office before the vote is given.

80. Every instrument appointing a Special Proxy shall be retained by the Company and shall, nearly as circumstances will admit, be in any of the forms set out in Schedule IX to the Act or near thereto as possible or in any other form which the Board may accept.

81. No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and has exercised, any right of lien.

82. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes.

DIRECTORS

83. The number of Directors of the Company shall be not less than five and not more than Twenty Five, all of whom will be appointed by the President of India, who will prescribe the period for which they will hold office as directors and may remove them and appoint others in their places and fill in any vacancy that may occur.

84. The President of India may appoint one or more of the Directors to render advice to the Managing Director on such matters as the Board may prescribe.

85. (as amended in AGM held on 17.09.2007)

The fees payable to a Director for attending a meeting of the Board of Committee thereof shall be decided by the Board of Directors from time to time within the maximum limits of such fees that may be prescribed by the Act or by the Central Government. The Directors shall be entitled to be paid their reasonable traveling and hotel and other expenses incurred in consequence of their attending at Board and committee meetings or otherwise incurred in the execution of their duties as Directors.

86. A Director shall not be required to hold any share in the capital of the Company as his qualification share.

87. If any Director, being willing, shall be called upon to perform extra services in his capacity as a Director for any of the purposes of the Company, then the Board may remunerate such Director either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substation for and other remuneration to which he may be entitled.

88. The office of a Director shall become vacant in accordance with the provisions set out in Section 283 of the Act.

89. No Director or other person referred to in Section 314 of the Act shall hold an office or place of profit save as permitted by that Section.

90. A Director of this Company may be or become a Director of any other Company promoted by this Company or in which it may be interested as a member, shareholder or otherwise and no such Director shall be accountable for any benefits received as a Director or member of such other company.

91. Subject to the provisions of Section 297 of the Act, neither shall a Director be disqualified from contracting with the Company either as vendor, purchaser or otherwise for supply of goods, materials or services or for underwriting the subscription of any shares in or debentures of the Company, nor shall any such contract or arrangement entered into by or on behalf of the Company with a relative of such Director, or a firm in which such Director or relative is a partner or with any other partner in such firm or with a private company of which such Director is a member or director, be avoided, nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such Directors holding office or of the fiduciary relation thereby established.

92. Every Director who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement entered into or to be entered into, by or on behalf of the Company not being a contract or arrangement entered into or to be entered into, between the Company and any other company, where any of the Directors of the Company or two or more of them together holds or hold not more than two per cent of the paid up share capital in the other company, shall disclose the nature of his concern or interest at a meeting of the Board as required by Section 299 of the Act. A General Notice, renewed in the last month of each financial year of the Company, that a Director is a director or a member of any specified body corporate or is a member of any specified firm and is to be regarded as concerned or interested in any subsequent contract or arrangement with that body corporate or firm shall be sufficient disclosure of concern or interest in relation to any contract or arrangement so made and, after such general notice, it shall not be necessary to give special notice relating to any particular contract or arrangement with such body corporate or firm, provided such general notice is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given. Every Director shall be bound to give and from time to time renew a general notice as aforesaid in respect of all bodies corporate of which he is a Director or member and of all firms of which he is a member.

ALTERNATE DIRECTORS

93. The Board may in accordance with and subject to the provisions of Section 313 of the Act appoint any person to act as alternate director for a Director during the letter's absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held.

93A Notwithstanding anything contained in any other articles of the Company, the Board shall have the power to appoint additional directors on the Board of the Company as per the provisions of the Companies Act, 1956.

MANAGING DIRECTOR

94. The President of India will appoint one of the Directors as a Managing Director.

95. The Managing Director shall receive such remuneration as may from time to time be sanctioned by the Board of Directors.

96. The Managing Director shall, subject to the superintendence, control and direction of the Board of Directors of the Company, be entrusted with substantial powers of management of the Company and in particular conduct and assume primary responsibility for the performance and supervision of the technical, administrative and day-to-day operation of the Company.

PROCEEDINGS OF DIRECTORS

97. The Board shall meet at least once in every three months and atleast four such meetings shall be held every year. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director.

98. A Director may, at any time, and the Secretary shall upon the request of a Director made at any time, convene a meeting of the Board.

99. The Chairman of the Board of Directors shall be appointed by the President of India. The Chairman of the Board shall preside over all meetings of the Board. If no such Chairman is appointed or if at any meeting of the Board the Chairman, be not present with in half an hour after the time appointed for holding the meeting of the Board, the Directors present shall choose one of their members to be the Chairman of such meeting.

100. The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of Section 287 of the Act. If a quorum shall not be present within half an hour from the time appointed for holding a meeting of the Board, it shall be adjourned until such date and time as the Chairman of the Board shall appoint.

101. Subject to the provisions of Article 102 a meeting of the Board at which a quorum be present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles or the Act for the time being vested in or exercisable by the Board.

102. (a) Questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes the Chairman shall have a second or casting vote.

(b) The Chairman shall reserve for the decision of the President any proposals or decisions of the Directors in any matter which in the opinion of the Chairman is of such importance as to be reserved for the approval of the President. No action shall be taken by the Company in respect of any proposal or decision of the Directors reserved for the approval of the President as aforesaid until his approval to the same has been obtained.

(c) Without prejudice to the generality of the above provision and subject to the guidelines and limits prescribed from time to time by the Administrative Ministry /Government/DPE, as long as the President holds more than 51% of share capital of the company, the Board shall exercise the following powers except the powers mentioned at para 102 (c) (i) (a) of Articles of Association of the company which shall be reserved for decision of the President:

(i) (a) Creation of posts of Chairman, Managing Director, Functional Directors and/or any other members of the Board of Directors.

(b) Appointment in the higher categories of posts (Rs. 2500-300 and above) of persons who have attained the age of 58 years whether they are from the public or private sector.

(c) Appointments to the posts of General Managers of constituent units will be made by the Board of Directors The Board shall however, follow the procedure laid-down by the Government in the matter of selection of General Managers.

(ii) Any matter relating to the sale, lease, exchange, mortgage and/or disposal otherwise of the whole or substantially the whole of undertaking of the Company or any part thereof the original or book value of which exceeds 10 lakhs rupees.

(iii) Any matters relating to :

(a) the promotion of company/companies;

(b) entering into partnership and/or arrangement for sharing profits;

(c) formation of subsidiary company/companies;

(d) taking or otherwise acquiring and holding shares in any other company or investment in securities;

(e) division of capital into different classes of shares;

(f) undertaking works of capital nature involving capital expenditure exceeding Rs. 2 Crores;
setting aside a portion of the profits of the Company to form a fund to provide for such pensions, gratuities or compensation or to create any provident or benefit fund in such a manner as the Director may deem fit;

(g) to approve agreement involving foreign collaboration proposed to be entered into by the Company;

(i) to issued such directions or instructions as the President may consider necessary in regard to the exercise and performance of the Company's functions in matters involving security or substantial public interest. The Directors shall duly comply with and give immediate effect to directions or instructions so issued;

(j) to call for such returns, accounts and information with respect to the property and activity of the Company as will be required from time to time;

(k) i) to authorize the amount of capital to be raised and the terms and conditions on which it may be raised;

ii) to approve the enterprises five year and annual plans of development and the enterprises capital budget.

iii) to sanction expenditure in case of variations in approved estimates beyond 10% for any particular component parts thereof; and

iv) to approve the enterprises revenue budget in case there is an element of deficit which is proposed to be met by obtaining funds from the Government.

(d) Notwithstanding anything contained in any of the articles, the President may from time to time issue such directives or instructions as may be considered necessary in regard to the finances, conduct of business and affaires of the Company. The Company shall give immediate effect to the directives or instructions so issued.

103. The Board may subject to the provisions of the Act and these Articles, from time to time and at any time, delegate any of its powers to a committee consisting of such Director or Directors as it thinks fit and may, from time to time, revoke such delegation. Any Committee so formed shall, in the exercise of the power so delegated, conform to any regulations that may, from time to time, be imposed upon it by the Board. The proceedings of such a Committee shall be placed before the Board of Directors at its next meeting for information.

104. The meetings and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meeting and proceedings of the Board so far as the same are applicable thereto, and are not superseded by any regulations made by the Board under the last preceding Article.

105. Acts done by a person as a Director shall be valid notwithstanding that it may afterwards be discovered that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provisions contained in the Act or in these Articles. Provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

106. Save in those cases where a resolution is required by Section 262, 292, 297, 316 and 372(5) of the Act, to be passed at meeting of the Board or Committee of the Board, a resolution shall be as valid and effectual as if it had been passed at meeting of the Board or Committee of the Board, as the case may be, duly called and constituted, if a draft there of in writing is circulated, together with the necessary papers, if any, to all the Directors, or all the members of the Committee of the Board, as the case may be then in India (not being less in number than the quorum fixed for a meeting of the Board or the Committee, as the case may be) and to all other Directors or members at their usual address in India and has been approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote on the resolution.

MINUTES

107. (1) The Board shall, in accordance with the provisions of Section 193 of the Act, cause minutes to be kept of every general meeting of the Company and of every meeting of the Board or of every committee of the Board.

(2) Any such Minutes of any meeting of the Board or of any committee of the Board or of the Company in general meeting, kept in accordance with the provisions of Section 193 of the Act, shall be evidence of the matters stated in such Minutes. The Minutes Book of general meetings of the Company shall be kept at the office and shall be open to inspection by members during the hours of 2 P.M. and 4 P.M. on such business days as the Act requires them to be open for inspection.

POWER OF THE BOARD

108. Subject to the provisions of the Act, and these Articles the control of the Company shall be vested in the Board who shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorized to exercise and do. Provided that the Board shall not exercise any power or do any act or thing which is directed or required or required, whether by the Act or any other statute or by the Memorandum of the Company or by these Articles or otherwise, to be exercised or done by the Company in general meeting. Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of the Company or in these Articles or in any regulations not inconsistent therewith and duly made thereunder, including regulation made by the Company in general meeting, but no regulation made by the Company in general meeting, shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

LOCAL MANAGEMENT

109. The Board may subject to the provisions of the Act make such arrangements as it may think fit for the management of the Company's affairs aboard and for this purpose appoint local boards, attorneys and agents and fix their remuneration and delegate to them (subject to the provisions of the Act) such powers as the Board may deem requisite or expedient. The Company may exercise all the power of Section 50 of the Act and the official Seal shall be affixed by the authority and in the presence of and the instruments sealed therewith shall be signed by such persons as the Board shall from time to time by writing under the Seal appoint. The Company may also exercise the powers of Sections 157 and 158 of the Act with reference to the keeping of Foreign Registers.

AUTHENTICATION OF DOCUMENTS

110. Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of Company and any resolutions passed by the Company or the Board and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books records, documents or accounts are elsewhere than at the Office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Board as aforesaid.

111. A document purporting to be a copy of a resolution of the Board or an extract from the minutes of a meeting of the Board which is certified as such in accordance with the provisions of the last preceding Article shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is true and accurate record of a duly constituted meeting of the Board.

THE SEAL

112. The Board shall provide for the safe custody of the Seal. The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or a committee of the Board authorized by it in that behalf and except in the presence of atleast two Directors and of Company Secretary or other persons as the Board may appoint for the purpose and those two Directors or such other person(s) as aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence. The Director(s) may, however sign a Share Certificate by affixing his signature(s) thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director(s) shall be responsible for the safe custody of such machine, equipment or other metal used for the purpose.

ANNUAL RETURNS

113. The Company shall comply with the provisions of Sections 159 and 161 of the Act as to the making of Annual Returns

RESERVES

114. The Board may, from time to time before recommending any dividend, set apart any and such portion of the profits of the Company as it thinks fit as Reserves to meet contingencies or for the liquidation of any debentures, debts or other liabilities of the Company, for equalization of dividends, or repairing, improving or maintaining any of the property of the company and for such other purposes of the Company as the Board in its absolute discretion thinks conductive to the interests of the Company; and may, subject to the provisions of Section 372 of the Act, invest the several sums so set aside upon such investments (other than shares of the Company) as it may think fit, and from time to time deal with any vary such investments and dispose of all or any part thereof for the benefit of the Company, and may divide the Reserves into Such special funds as it thinks fit, with full power to employ the Reserves or any parts thereof in the business of the Company, and that without being bound to keep the same separate from the other assets.

115. All money carried to the Reserves shall nevertheless remain and be profits of the Company applicable, subject to due provisions being made for actual loss or depreciation, for the payment of dividends and such moneys and all the other moneys of the Company not immediately required for the purposes of the Company may, subject to the provisions of Sections 370 and 372 of the Act, be invested by the Board in or upon such investment or securities as it may select or may be used as working capital or may ordinarily be kept with the State Bank of India or any of its subsidiaries on deposit or otherwise as the Board may, from time to time, think proper.

CAPITALIZATION OF RESERVES

116. Any general may resolve that any moneys, investments or other assets forming part of the undivided profit of the Company standing to the credit of the Reserves, or any Capital Redemption Reserve Account, or in the hands of the Company and available for dividend or representing premiums received on the issue of shares and shares and standing to the credit of Share Premium Account be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund be applied on behalf of such shareholders in paying up in full any

unissued shares, debentures or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum. Provided that any sum standing to the credit of a share Premium Account or a Capital Redemption Reserve Account may, for the purposes of this Article, only, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

117. The Company in general meeting may at any time and from time to time resolve that any surplus moneys in the hands of the Company representing capital profits arising from the receipt of moneys received or recovered in respect of or arising from the realization of any capital assets of the Company or any investment representing the same instead of being applied in the purchase of other capital assets or for other capital purposes be distributed amongst the ordinary shareholders on the footing that they receive the same as capital and in the shares and proportions in which they would have been entitled to receive that same if it had been distributed by way of dividend, provided always that no such profit as aforesaid shall be so distributed unless there shall remain in the hands of the Company a sufficiency of other assets to answer in full, the whole of the liabilities and paid up share capital of the Company for the time being.

118. For the purpose of giving effect to any resolution under the two last preceding Articles the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest such cash or specific to the dividend or capitalized fund as may seem expedient to the Board. Where requisite a proper contract shall be filed in accordance with Section 75 of the Act, and the Board may appoint any person to sign such contract on behalf of the person entitled to the dividend or capitalized fund, and such appointment shall be effective.

DIVIDENDS

119. Subject to the rights of members entitled to shares (if any) with preferential rights attached thereto, the profits of the Company which it shall from time to time be determined to divide in respect of any year or other periods shall be applied in the payment of dividend on Equity Shares of the Company but so that a partly paid up share shall only entitle the holder with respect thereof to such a proportion of the distribution upon a fully paid up share as the amount paid thereon bears to the nominal amount of such share and so that where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not rank for dividends or confer a right to participate in profits.

120. The Company in general meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may subject to the provisions of Section 207 of the Act, fix the time for payment.

121. No larger dividend shall be declared than is recommended by the Board, but the Company in general meeting may declare a smaller dividend.

122. Subject to the provisions of Section 205 of the Act, no dividend shall be payable except out of the profits of the Company of out of moneys provided by the Central or a State Government for the payment of the dividend in pursuance of any guarantee given by such Government and no dividend shall carry interest against the Company.

123. The net profits of the Company shall be determined in accordance with generally accepted accounting principles.

124. The Board may, fro time to time, pay to the members such interim dividends as appear to the Board to be justified by the provisions of the Company.

125. The Board may deduct from any dividend payable to any member all sums of money, if any presently payable by him to the company on account of calls or otherwise in relation to the shares of the Company.

126. Any general meeting declaring a dividend may make a call on the members of such amount as the meeting fixed, but so that the call on each member shall not exceed the dividend payable to him, and so that the call may be made payable at the same time as the dividend and the dividend may be set off against the call.

127. No dividend shall be payable except in cash. Provided that nothing in the foregoing shall be deemed to prohibit the capitalization of profits or reserves of the Company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on the shares held by the members of the Company.

128. A transfer of shares shall not pass the rights to any dividend declared thereon the registration of the transfer by the Company.

129. The Company may pay interest on capital raised for the construction of works or buildings when and so far as it shall be authorized to do by Section 208 of the Act.

130. No dividend shall be paid in respect of any share except to the registered holder of such share or to his order or to his bankers, but nothing contained in this Article shall be deemed to require the bankers of a registered shareholder to make a separate application to the Company for the payment of the dividend. Nothing in this Article shall be deemed to affect in any manner the operation of Article 132.

131. Any one of several persons who are registered as the joint-holder of any share may give effectual receipts for all dividends, bonuses and other payments in respect of such share.

132. Notice of any dividend, whether, interim or otherwise, shall be given to the persons entitled to share therein in the manner hereinafter provided.

133. Unless otherwise directed in accordance with Section 206 of the Act, any dividend, interest or other moneys payable in cash in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the holder or, in the case of joint holder, to the registered address of that on of the joint-holders who is the first named in the Register in respect of the joint-holding or to such person and such address as the holder or joint-holder, as the case may be, may direct, and every cheque or warrant so sent shall be made payable to the order of the person to who it is sent.

134. (a) No unclaimed or unpaid dividend shall be forfeited and all unclaimed or unpaid dividends shall be dealt with in accordance with the relevant provisions under the Act and rules / regulations made thereunder or any amendments/modifications thereof for the time being in force or such other instructions as may be given in this regard by the Government from time to time.

(b) Any money transferred to the Unpaid Dividend Account of the Company, which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the "Investor Education and Protection Fund" in accordance with the provisions of the Act and Rules/Regulations made under the Act or as modified/amended from time to time.

BOOKS AND DOCUMENTS

135. The Board shall cause proper books of account to be kept in accordance with Section 209 of the Act.

136. The books of account shall be kept at the Officer or at such other place in India as the Board may decide and when the Board so decides, the Company shall, within seven days of the decision, file with the Registrar a notice in writing giving the full address of that other place.

137. (1) The Books accounts shall be open to inspection by any Director during business hours.

(2) The Board shall from time to time, determine whether and to what extent, and at what times and places, and under what conditions or regulations, the books of account and books and documents of the company, other than those referred to in Article 107(2) and 149 or any of them, shall be open to the inspection of the members not being Directors, and no member (not being a director) shall have any right of inspecting any books of account or book or documents of the Company except as conferred by law or authorized by the Board or by the Company in general meeting.

BALANCE SHEET AND ACCOUNTS

138. At every Annual General Meeting the Board shall lay before the Company a Balance Sheet and Profit and Loss Account made up in accordance with the provisions of Section 210 of the Act, and such Balance Sheet and Profit and Loss Accounts shall comply with requirements of Sections 210, 211, 212, 215 and 216 and of Schedule VI of the Act so far as they are applicable to the Company, but save as aforesaid the Board shall not be bound to disclose greater details of the result or extent of the trading and transactions of the Company than it may deem expedient

139. There shall be attached to every Balance Sheet laid before the Company a Report by the Board complying with Section 217 of the Act.

140. A copy of every Balance Sheet (including the Profit and Loss Account, the Auditor's Report and every document required by law to be annexed or attached to the Balance Sheet) shall as provided by Section 219 of the Act not less than twenty-one days before the meeting be sent to every such member, debenture-holder trustee and other person to whom the same is required to be sent by the said Section.

141. The Company shall comply with Section 220 of the acts as to filing of the Balance Sheet and Profit and Loss Account and documents required to be annexed or attached thereto with the Registrar.

AUDITORS

142. Once at least in every year the books of account of the Company shall be examined by one or more Auditor or Auditors.

143. (a) The Auditor/Auditors of the Company shall be appointed or re-appointed by the Central Government on the advice of the Comptroller and Auditor General of India and his/their remuneration, rights and duties shall be regulated by Section 224 to 233 of the Act.

(b) The Comptroller and Auditor General of India shall have power-

i) To direct the manner in which the Company's account shall be Audited by the Auditor/Auditors and to give such Auditor/Auditors instructions in regard to any matter relating to the performance of his/their functions as such.

ii) To conduct a supplementary or test audit of the Company's accounts by such person/persons as he may authorize in this behalf and for the purpose of such audit, to all account, Account Books-Vouchers, documents and other papers of the Company and to require information or additional information to be furnished to any person/persons and in such form as the Comptroller and the Auditor General may, by general or special order, direct.

(a) The Auditor / Auditors aforesaid shall submit a copy of his/their report to the Comptroller and Auditor General of India who shall have the right to comment upon or supplement the audit report in such a manner as he may think fit.

(b) Any such comment upon or supplement to the Audit Report shall be placed before the annual general meeting of the Company at the same time and in the same manner as the audit report.

(c) The Auditors of the Company shall be entitled to receive notice of and to attend any General Meeting of the Company at any accounts which have been examined or supported on by them are to be laid before the Company and may make any statement or explanation they desire with respect to the accounts.

SERVICE OF NOTICES AND DOCUMENTS

144. A Notice or other documents may be given by the Company to its members in accordance with Sections 53 and 172 of the Act.

145. Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share, shall be bound by every notice in respect of such share which previously to his name and address being entered on the Register shall have been duly given to the person form whom he derives his title to such share.

146. Subject to the provisions of Article 146 any notice or documents delivered or sent by post to or left at the registered address of any member in pursuance of these Articles shall, notwithstanding such members be then deceased and whether or not the Company have notice of his deceased, by deemed to have been duly served in respect of any Registered share, whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint-holders thereof and such serve shall for all purposes of these presents be deemed a sufficient service of such notice or documents on his heirs, executors or administrators and all persons, if any, jointly interested with him in any such share.

KEEPING OF REGISTER AND INSPECTION

147. The Company shall duly keep and maintain at the Office, Registers in accordance with Sections 49(7), 150, 151, 152(2), 301, 303, 307, 370, and 372 of the Act and Rule 7(2) of the Companies (Issue of Share Certificates) Rules, 1960.

148. The Company shall comply with the provisions of Sections 39, 118, 163, 192, 196, 219, 301, 302, 304, 307, 370 and 372 of the Act as to the supplying of copies of Registers, deeds, documents, instruments, returns, certificates and book therein mentioned to the persons therein specified when so required by such person, on payment of the charges, if any, prescribed by the said Sections.

149. Where under any provisions of the Act any persons, whether the member of the Company or not, is entitled to inspect in a register, return, certificate, deed, instrument of document required to be kept or maintained by the Company, the person so entitled to inspection shall be permitted to inspect the same during the hours of 2 PM and 4 PM on such business days as the Act requires them to be open for inspection.

150. The Company may after giving not less than seven day's previous notice by advertisement in some newspapers circulating in the district in which the Office is situated, close the Register of Members or the Register of Debenture holder, as the case may be, for any period or periods not exceeding in the aggregate forty five days in each year but not exceeding thirty days at any one time.

RECONSTRUCTION

151. On any sale of the undertaking of the Company, the Board or the Liquidators on a winding-up, may if authorized by a Special Resolution, accept fully paid or partly paid up shares, debentures or securities of any other company, whether incorporated in India or not either then existing or to be formed for the purchase in whole or in part of the property of the Company,

and the Board (if the profits of the Company permit) or the Liquidators (in a winding up) may distribute such shares or securities, or any other property of the Company amongst the members without realization, or vest the same in trustees for them, and any Special Resolution may provide for the distribution and appropriation of the cash, shares or other securities, benefit or property, otherwise than in accordance with the strict legal rights of the members or contributories of the Company, and for the valuation of any such securities or property at such price and in such manner as the meeting may approve, and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorized and waive all rights in relation thereto, save only in case the Company is proposed to be or is in the course of being wound up, such statutory rights (if any) under Section 494 of the Act as are incapable of being varied or excluded by these Articles.

SECRECY

152. Every Director, Secretary, Trustee for the Company, its members, or debentures-holders, member of a Committee, Officer, servant, agent, accountant, or other person employed in or about the business of the Company shall, if so required by the Board before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board or by any general meeting or by a court of law and except so far as may be necessary in order to comply with any of the provisions in these Articles contained.

153. No shareholder or other person (not being a Director) shall be entitled to enter upon the property of the Company or to inspect or examine the premises or properties of the Company without the permission of the Board or, subject to Articles 137 to require discovery of or any information respecting any details of the trading of the Company or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to communicate.

WINDING-UP

154. If the Company, shall be would up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of the shares issued upon special terms and conditions.

155. If the Company shall be would up, whether voluntarily or otherwise, the liquidators may, with the sanction of the Special Resolution, divide among the contributories, in species or kind, any part of the assets of the Company and may, with the like sanction, vest, any part of the assets of the Company in Trustees upon such trusts for the benefit of the contributories, or any of them, as the liquidators, with the like sanction, shall think fit.

INDEMNITY

156. Every Director, Secretary or Officer of the Company or any person (whether an officer of the Company or not) employed by the Company shall be indemnified out of the funds of the Company against all liability incurred by him as such Director, Secretary, Officer, or employee in defending any proceedings, whether civil or criminal, in which judgment is given

in his favour, or in which he is acquitted, or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.

157. Subject to the provisions of Section 201, no Director or other officer of the Company shall be liable of the Acts, receipts, neglects or defaults of any other Director or officer of the Company or for joining in any receipt or other act for conformity, or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by the order of the Director for or on behalf of the Company, or for the sufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by any error of judgment or oversight on his part or for any other loss, damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own negligence, default, misfeasance, breach of duty, or breach of trust.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this RHP), which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which have been attached to the copy of this RHP, delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office/corporate office of our Company from 10.00 am to 4.00 pm on Working Days, from the date of this RHP until the Offer Closing Date.

Material Contracts to the Offer

1. Engagement Letter dated May 24, 2010 to the Book Running Lead Managers from the Ministry of Disinvestment, Government of India for appointment as book running lead managers.
2. Offer agreement between our Company, the Selling Shareholder and the Book Running Lead Managers, dated June 14, 2010.
3. Agreement between our Company, the Selling Shareholder and Registrar to the Offer, dated July 8, 2010.
4. Escrow Agreement, dated [•] between our Company, the Book Running Lead Managers, the Selling Shareholder, the Escrow Banks and the Registrar to the Offer.
5. Syndicate Agreement, dated [•] between our Company, the Selling Shareholder, the Book Running Lead Managers and the Syndicate Members.
6. Underwriting Agreement, dated [•] between our Company, the Selling Shareholder, the Book Running Lead Managers and Syndicate Members.
7. Agreement, dated September 2, 1999 between NSDL, our Company and SRG Infotec Limited.
8. Agreement, dated June 6, 2002 between CDSL, our Company and MAS Services Private Limited.

Material Documents

1. Our Memorandum and Articles, as amended from time to time.
2. Our Certificate of Incorporation dated March 15, 1965.
3. Our restated consolidated financial statements as of and for the years ended March 31, 2010, 2009, 2008, 2007 and 2006 and our restated standalone financial statements as of and for the years ended March 31, 2010, 2009, 2008, 2007 and 2006, together with the reports thereon of Jagdish Chand & Co., Chartered Accountants, dated June 14, 2010.
4. No-object certificate dated July 5, 2010 from the Reserve Bank of India for the Offer for Sale.
5. The MoPNG, through its letter no. G-38011/42/2009-Fin.I dated June 10, 2010 conveyed its approval for the Offer.
6. Board Resolution a dated May 27, 2010 authorising the Offer.
7. MoPNG Letter no. C – 31018/4/2007-CA dated September 30, 2009 appointing Mr. Ashok Kumar Purwaha as the Chairman & Managing Director and MoPNG Letter no. C-31018/4/2007-CA dated March 30, 2010, setting out the terms and conditions of his appointment, including remuneration.
8. MoPNG, Letter no. 31023/1/2007-CA dated June 24, 2008, appointing Mr. Laxmi Narayan Gupta as Government Director.
9. MoPNG Letter no. 31016/4/2003-CA dated January 20, 2005 appointing Mr. Manoj Kumar Joshi as Director (Technical) and MoPNG Letter no. C-31018/5/2009-CA (Part), dated April

15, 2010, extending his term up to July 31, 2010. MoPNG Letter no. C-31018/6/2009-CA dated May 18, 2010, setting out the terms and conditions of his appointment, including remuneration.

10. MoPNG, Letter no.31016/6/2005-CA dated April 3, 2007 appointing Mr. Rakesh Kumar Grover as Director (Projects) and MoPNG Letter no. C-31018/6/2009-CA dated May 18, 2009 setting out the terms and conditions of his appointment, including remuneration.
11. MoPNG Letter no. C - 31018/2/09-CA dated January 22, 2010 appointing Mr. Ram Singh, as Director (Finance).
12. MoPNG Letter no. C-31018/2/08-CA dated April 30, 2010 appointing Mr. Pradeep Kumar Rastogi, as Director (Personnel).
13. MoPNG, Letter no. 31016/8/2005-CA dated January, 5, 2006, appointing Mr. Udaykrishna Nityanand Bose as non-executive part time Director.
14. MoPNG, Letter no. 31015/5/2005-CA dated December 22, 2006, appointing Mr. Basavaraj Ningappa Bankapur as part time Director.
15. MoPNG, Letter no.34011/20/2005-CA (Pt) dated June 19, 2007 appointing Dr. Avinash Chandra as non-official part time Director and Board resolution dated July 3, 2007 fixing the sitting fees, and expenses as applicable for attending each meeting of the Board and its committees.
16. MoPNG, Letter no. C-31024/27/2006-CA dated January 4, 2008, appointing Mr. Arun Kumar Purwar as non-official part time Director, and Board resolution dated July 3, 2007 fixing the sitting fees, and expenses as applicable for attending each meeting of the Board and its committees.
17. MoPNG Letter no. C-31018/2/2010-CA dated July 9, 2010, appointing Mr. Adit Jain and Dr. (Prof.) Krishna Deo Prasad Nigam as non-official part time Directors on the Board.
18. Copies of annual reports of our Company for the years ended March 31, 2006, 2007, 2008, 2009 and 2010.
19. Consent of the auditors for inclusion of their reports on our restated consolidated financial statements as of and for the years ended March 31, 2010, 2009, 2008, 2007 and 2006 and our restated standalone financial statements as of and for the years ended March 31, 2010, 2009, 2008, 2007 and 2006 in the form and context in which they appear in this RHP.
20. Consents of the Directors, the Selling Shareholder, the Company Secretary and Compliance Officer, the Book Running Lead Managers, the Auditor, the lenders of our Company, the domestic legal counsel to the Offer, international legal counsel to the Offer, the Bankers to our Company, the Registrar to the Offer, to act in their respective capacities.
21. Due diligence certificate, dated June 15, 2010 to SEBI from the Book Running Lead Managers.
22. SEBI observation letter No. CFD/DIL/ISSUES/SP/JAK/OW/11426/2010 dated July 8, 2010.

Any of the contracts or documents mentioned in the Red Herring Prospectus may be amended or modified at any time, if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

In accordance with Section 61 of the Companies Act, in the event any of the material contracts mentioned in this section are required to be modified or amended, post the filing of the Prospectus with the RoC, reference shall be made to the shareholders of our Company for the same.

DECLARATION

We, the Directors certify that all relevant provisions of the Companies Act, and the guidelines/ regulations issued by the GoI or by SEBI, as applicable, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SEBI Act or the rules made or guidelines issued thereunder, as the case may be, and that all approvals and permissions required to carry on the business of our Company have been obtained, are currently valid and have been complied with. We further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Mr. Ashok Kumar Purwaha	Mr. Pradeep Kumar Rastogi
Mr. Manoj Kumar Joshi	Mr. Ram Singh
Mr. Rakesh Kumar Grover	Mr. Arun Kumar Purwar
Mr. Laxmi Narayan Gupta	Mr. Udaykrishna Nityanand Bose
Mr. Basavaraj Ningappa Bankapur	Dr. Avinash Chandra
Mr. Adit Jain	Dr. (Prof.) Krishna Deo Prasad Nigam

We, the Selling Shareholder, certify that the statements made by the Selling Shareholder in this Red Herring Prospectus about or in relation to the Selling Shareholder and the Equity Shares being offered pursuant to the Offer for Sale are true and correct.

Signed by the Selling Shareholder

____
Name: Mr. Arunoday Goswami
Designation: Under Secretary, Ministry of Petroleum and Natural Gas.

On behalf of the President of India, acting through the Ministry of Petroleum and Natural Gas.
Date: July 9, 2010
Place: New Delhi