Summary of significant accounting policies for the year ended 31 March 2018

1. NATURE OF PRINCIPAL ACTIVITIES

Engineers India Limited and (referred to as "EIL" or "the Company") is a Government of India Enterprise under Ministry of Petroleum and Natural Gas. The Company operates into two major segments namely Consultancy & engineering projects and Turnkey projects.

2. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE

The Company has its registered office situated at 1 Bhikaji Cama, New Delhi 110066, India. The shares of the Company are listed on the National Stock Exchange and the Bombay Stock Exchange.

The financial statements of the Company have been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 ('Ind AS') and relevant amended rules issued thereafter. These are Company's standalone financial statements. The Company also prepared consolidated financial statements separately.

Effective from 1 April 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards", with 1 April 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

The financial statements for the year ended 31 March 2018 were authorized and approved for issue by the Board of Directors on 25 May 2018.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ACCOUNTING CONCEPTS

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS. The accounts are prepared on historical cost concept based on accrual method of accounting as a going concern.

B. REVENUE RECOGNTION

REVENUE RECOGNTION

Revenue from services rendered is accounted for at fair value of consideration received or receivable, excluding taxes and rebates. In most cases, the consideration is in the form of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable and is determined by discounting all expected receipts using an imputed rate of interest.

Revenue from services is accounted as follows:

- In the case of cost plus and rate plus jobs, on the basis of amount billable under the contracts
- In the case of lumpsum services and turnkey contracts as proportion of actual direct costs of the work performed to latest estimated total direct cost of the work performed
- In case of inspection contracts providing for a percentage fee on project cost, on the basis of physical progress duly certified.

Any expected loss shall be recognised as an expense immediately.

Other claims including interest on outstanding are accounted for when there is probability of ultimate collection.

TURNOVER/WORK-IN-PROGRESS

a) No income has been taken into account on jobs for which:

   i. The terms of consideration 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.

   ii. The terms have been agreed to at lumpsum services/turnkey contracts and outcome of job cannot be estimated reliably.

b) The cost of such jobs as stated in 'a' above is carried forward as work-in- progress at actual direct cost.

EXPORT BENEFIT

Export benefits constituting Service Export from India Scheme are accounted for on accrual basis when there is reasonable assurance that the company will comply with the conditions attached to them and the export benefits will be received

DIVIDEND INCOME

Dividend on units/shares is accounted for when right to receive payment is established.

C. INTANGIBLE ASSETS

Recognition

Intangible assets (softwares) are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent measurement (amortisation)

The cost of capitalized software is amortized over a period of three years from the date of its acquisition. However, software individually costing upto ₹ 500,000 is fully amortized during the year of its acquisition.

D. PROPERTY, PLANT AND EQUIPMENT

Recognition

Properties plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. 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/up-gradation of software is being capitalized as an intangible asset.

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 and depreciation is charged. Whenever significant parts of the property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Subsequent measurement (depreciation)

Depreciation on property, plant and equipment 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 rates arrived at based on useful life prescribed under Part C of Schedule II of the Companies Act, 2013, whichever is higher.

Premium paid on land where lease agreements have been executed for specified period are written off over the period of lease proportionately.

100% depreciation is provided on library books in the year of purchase.

Property, plant and equipment individually costing less than INR 5,000 are fully depreciated in the year of acquisition.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss when the asset is derecognised.

E. LEASES

Company as a lessee

Finance leases

Management applies judgment in considering the substance of a lease agreement and whether it gives substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include the length of the lease term in relation to the economic life of the asset, the present value of the minimum lease payments in relation to the asset's fair value, and whether the Company obtains ownership of the asset at the end of the lease term.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease, at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments.

The interest element of lease payments is charged to statement of profit and loss, as finance costs over the period of the lease. The leased asset is depreciated over the useful life of the asset or lease term whichever is lower.

Operating leases

Assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on straightline basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

Company as a lessor

Operating lease

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Assets leased out under operating leases are capitalized. Rental income is recognized on straightline basis over the lease term except where scheduled increase in rent compensates the Company with expected inflationary costs.

F. INVESTMENT PROPERTIES

Recognition

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

When significant parts of the property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Subsequent measurement (depreciation)

Depreciation on investment properties 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 rates arrived at based on useful life prescribed under Part C of Schedule II of the Companies Act, 2013, whichever is higher.

De-recognition

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the year of de-recognition.

G. FOREIGN CURRENCY

Functional and presentation currency

The financial statements are presented in INR, which is also the functional currency of the Company.

Foreign currency transactions and balances

Initial recognition

Foreign currency transactions 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 and Japanese Yen and in respect of other currencies at Government rates prevailing in the month. However, foreign currency transactions in respect of sub-contractors/vendors are recorded at bank rate prevailing on the date of transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

For the foreign operation of the Company, all assets and liabilities are translated into INR using the exchange rate in effect at the balance sheet date and for revenue and expense items using the average exchange rate for respective period.

Exchange differences

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

For the foreign operation of the Company, gain/(loss) arising on conversion of branch financial statements is recognised as exchange translation gain/(loss) under other comprehensive income and accumulated as foreign exchange translation reserve under the head other equity.

H. IMPAIRMENT OF NON-FINANCIAL 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 in the year of reversal and is restricted to the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

I. FINANCIAL INSTRUMENTS

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement

i. **Debt instruments at amortised cost** – A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

ii. **Equity investments –** All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).

iii. **Mutual funds –** All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost.

Subsequent measurement

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. This category generally applies to long-term payables and deposits.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Forward contracts

A forward contract is recognised as an asset or a liability on the commitment date. Outstanding forward contracts as at reporting date are restated using the mark to market information and resultant gain/(loss) is accounted in statement of profit and loss.

J. IMPAIRMENT OF FINANCIAL ASSETS

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

Trade receivables

As a practical expedient the Company has adopted 'simplified approach' using the provision matrix method for recognition of expected loss on trade receivables. The provision matrix is based on historical default rates observed over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical default rates are updated and changes in the forward-looking estimates are analysed. Further receivables are segmented for this analysis where the credit risk characteristics of the receivable are similar.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

K. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

The provision for estimated liabilities on account of guarantees and warranties etc. in respect of lumpsum services and turnkey contracts awarded to the Company are being made on the basis of management's assessment of risk and consequential probable liabilities on each such jobs.

Provisions are discounted to their present values, where the time value of money is material.

Contingent liabilities are disclosed by way of note unless the possibility of outflow is remote. Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

L. GOVERNMENT GRANTS

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

- When the grant relates to a revenue item, it is recognized in statement of profit and loss on a systematic basis over the periods in which the related costs are expensed. The grant can either be presented separately or can deduct from related reported expense.
- When the grant relates to an asset, it is recognised as income on a systematic basis over the expected useful life of the related asset.

When the Company receives grant as a non-monetary asset, the asset and the grant are recorded at fair value. The amount is then recognised in statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

M. OIL AND GAS EXPLORATION ACTIVITIES

The Company follows 'Successful Efforts Method' in accounting for Oil and Gas exploration and production activities as detailed below:

- Survey costs are charged as expense in the year of its incurrence.
- Acquisition costs, cost of incomplete/undecided exploratory wells and development costs are carried as intangible assets under development till these are either transferred to producing properties on completion or expensed in the year when determined to be dry, as the case may be.

The Company's share of proved oil and gas reserves are disclosed when notified by the operator of the relevant block.

The Company's proportionate share in the assets, liabilities, income and expenditure of jointly controlled assets are accounted for as per the participating interest.

N. RESEARCH AND DEVELOPMENT EXPENDITURE

Revenue expenditure on Research and Development is charged to statement of profit and loss in the year the expenditure is incurred. Capital Expenditure on Research and Development is capitalized under property, plant and equipment.

O. FINANCIAL GUARANTEES

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

Initial recognition

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequent recognition

Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

P. INVENTORIES

Inventories in respect of stores, spares and chemicals etc. are valued at lower of cost and net realizable value

Cost includes the cost of purchase (discounted to their present values, if the time value of money is material) and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on "First In, First Out" basis

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Q. INCOME TAXES

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted for the reporting period. Current income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity).

R. INVESTMENT IN EQUITY INSTRUMENTS OF CONSOLIDATED ENTITIES

The Company's investment in equity instruments of subsidiaries and joint ventures are accounted for at cost.

S. INVESTMENT IN JOINTLY CONTROLLED OPERATIONS

A joint operation is one whereby the jointly controlling parties, known as the joint operators, have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint operation is generally not structured through a separate legal vehicle.

The particulars of joint operations considered in the financial statements are as under:

Sl. No.	Name of the Company	Country of Incorporaton	Relatonship	31 March 2018	31 March 2017
1	Petroleum India International (Association of Person (AOP))	India	Joint Operation	9.50%	9.51%
2	CB-ONN-2010/11	India	Joint Operation	20%	20%
3	CB-ONN-2010/08	India	Joint Operation	20%	20%

The Company accounts for proportionate share in the assets, liabilities, income and expenditure of the said jointly controlled operations as participating interest.

T. CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits i.e. balances held with banks in current accounts for unrestrictive use. Cash equivalents are short term, highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. The Company considers unrestrictive time deposits with banks having an original maturity of three months or less as cash equivalent.

U. POST-EMPLOYMENT BENEFITS AND SHORT-TERM EMPLOYEE BENEFITS

Defined benefit plans

Under the defined benefit plans, the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Company, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund as well as qualifying insurance policies. Defined benefit plans include gratuity, post-retirement medical benefit and other retirement benefit plans.

The liability recognised in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets.

Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability/asset are included in other comprehensive income.

Other long-term benefits

The liabilities for leave (earned and half pay leave) and are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. The Company has secured these liabilities against the plan assets. The liability is recognised in the statement of financial position basis the present value of expected future payments to be made in respect of services provided by employees upto the end of reporting period (using the projected unit credit method) less the fair value of plan assets.

Liability in respect of long-service awards is recognised in the statement of financial position basis the present value of expected future payments to be made in respect of services provided by employees upto the end of reporting period(using the projected unit credit method).

Short-term employee benefits

Short term benefits comprise of employee costs such as salaries, bonus etc. are accrued in the year in which the associated service are rendered by employees.

Defined contribution plans

Contributions with respect to provident fund and superannuation fund, defined contribution plans, are made to the trust set-up by the Company for the purpose

Other benefits

Voluntary retirement expenses are charged to statement of profit and loss in the year of its incurrence.

V. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

W. RECENT ACCOUNTING PRONOUNCEMENT

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018:

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018.

The company is evaluating the impact of this amendment on its financial statements.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

• Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

• Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be not material.

X. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY

Significant management judgements

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Revenue – The Company recognises revenue using the stage of completion method. This requires estimates to be made of the outcomes of long-term construction and service contracts, which require assessments and judgements to be made on changes in work scopes, balance efforts, cost and time to complete the contract including probability of levy for liquidated damages and price reduction for delay to the extent they are probable and they are capable of being reliably measured.

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Recoverability of advances/receivables – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Provisions – At each balance sheet date, based on the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However the actual future outcome may be different from this judgement.

Notes to the Financial Statements for the year ended 31 March 2018

Note: 4 Property, plant and equipment

(₹ in Lakhs)

Particulars	Freehold land	Leasehold land*	Building	Plant and machinery	Computer hardware	Furniture, fxtures and office/ construction equipments	Vehicles	Library books	Total	Capital work-in-progress
Gross carrying amount										
At 1 April 2016	297.73	1,287.25	19,961.97	43.54	2,313.26	1,725.64	0.38	2.40	**25,632.17**	-
Additions	-	-	45.90	3.98	694.07	43.91	0.07	3.05	**790.98**	-
Reclassification to investment property due to change in use	-	-	(4.42)	-	-	-	-	-	**(4.42)**	-
Exchange difference on translation of foreign operation	-	-	(0.77)	-	(4.75)	(10.38)	-	-	**(15.90)**	-
Disposals/assets written off/ Adjustment	-	-	(172.39)	-	(5.58)	(9.02)	(0.15)	-	**(187.14)**	-
Balance as at 31 March 2017	**297.73**	**1,287.25**	**19,830.29**	**47.52**	**2,997.00**	**1,750.15**	**0.30**	**5.45**	**26,215.69**	**-**
Additions	-	-	208.63	39.36	378.35	58.29	0.14	0.24	**685.01**	-
Reclassification from investment property due to change in use	0.18	-	762.92	-	-	20.93	-	-	**784.03**	-
Exchange difference on translation of foreign operation	-	-	0.01	-	(12.60)	(13.73)	-	-	**(26.32)**	-
Disposals/assets written off/ Adjustment	-	-	(11.54)	-	(4.79)	(8.94)	-	(0.09)	**(25.36)**	-
Balance as at 31 March 2018	**297.91**	**1,287.25**	**20,790.31**	**86.88**	**3,357.96**	**1,806.70**	**0.44**	**5.60**	**27,633.05**	**-**
Accumulated depreciation										
At 1 April 2016	-	17.58	836.13	-	728.70	258.99	0.05	2.40	**1,843.85**	-
Charge for the year	-	17.57	852.10	0.03	737.61	235.28	0.07	3.05	**1,845.71**	-
Reclassification to investment property due to change in use	-	-	(0.65)	-	-	-	-	-	**(0.65)**	-
Exchange difference on translation of foreign operation	-	-	(0.04)	-	(2.98)	(2.08)	-	-	**(5.10)**	-
Adjustments for disposals	-	-	(3.86)	-	(3.96)	(2.36)	-	-	**(10.18)**	-
Balance as at 31 March 2017	**-**	**35.15**	**1,683.68**	**0.03**	**1,459.37**	**489.83**	**0.12**	**5.45**	**3,673.63**	**-**

(₹ in Lakhs)

Particulars	Freehold land	Leasehold land*	Building	Plant and machinery	Computer hardware	Furniture, fxtures and office/ construction equipments	Vehicles	Library books	Total	Capital work-in-progress
Charge for the year	-	17.57	879.92	3.35	725.23	235.31	-	0.24	**1,861.62**	-
Reclassification from investment property due to change in use	-	-	78.63	-	-	6.26	-	-	**84.89**	-
Exchange difference on translation of foreign operation	-	-	(0.07)	-	(13.70)	(13.31)	-	-	**(27.08)**	-
Adjustments for disposals	-	-	(0.86)	-	(0.80)	(2.05)	-	(0.09)	**(3.80)**	-
Balance as at 31 March 2018	**-**	**52.72**	**2,641.30**	**3.38**	**2,170.10**	**716.04**	**0.12**	**5.60**	**5,589.26**	**-**
Net book value as at 31 March 2017	**297.73**	**1,252.10**	**18,146.61**	**47.49**	**1,537.63**	**1,260.32**	**0.18**	**-**	**22,542.06**	**1,810.11**
Net book value as at 31 March 2018	**297.91**	**1,234.53**	**18,149.01**	**83.50**	**1,187.86**	**1,090.66**	**0.32**	**-**	**22,043.79**	**2,340.79**

**Refer note 39A for details*

(i) Contractual obligations

Refer to note 40B(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) Above excludes fixed assets having written down value of ₹ 0.44 lakhs (previous year 31 March 2017: ₹ 0.44 lakhs) shown as assets held for disposal under note 'Other Current Assets'.

(iii) Restirction on title of property, plant and equipment, refer note 42 (ii).

Note : 5 Investment property

(₹ in Lakhs)

Particulars	Freehold land	Leasehold land*	Building and related fixtures /assets	Total
Gross carrying amount				
At 1 April 2016	0.35	264.53	3,773.68	**4,038.56**
Additions	-	-	7.15	**7.15**
Reclassification from property, plant and equipment due to change in use	-	-	4.42	**4.42**
Disposals/assets written off	-	-	(16.75)	**(16.75)**
Balance as at 31 March 2017	**0.35**	**264.53**	**3,768.50**	**4,033.38**
Additions	-	-	10.16	**10.16**
Reclassification to property, plant and equipment due to change in use	(0.18)	-	(783.85)	**(784.03)**
Disposals/assets written off	-	-	(6.65)	**(6.65)**
Balance as at 31 March 2018	**0.17**	**264.53**	**2,988.16**	**3,252.86**
Accumulated depreciation				
At 1 April 2016	-	0.71	160.60	**161.31**
Charge for the year	-	0.71	163.83	**164.54**
Reclassification from property, plant and equipment due to change in use	-	-	0.65	**0.65**
Adjustments for disposals	-	-	(0.28)	**(0.28)**
Balance as at 31 March 2017	**-**	**1.42**	**324.80**	**326.22**
Charge for the year	-	0.71	129.13	**129.84**
Reclassification to property, plant and equipment due to change in use	-	-	(84.89)	**(84.89)**
Adjustments for disposals	-	-	(0.52)	**(0.52)**
Balance as at 31 March 2018	**-**	**2.13**	**368.52**	**370.65**
Net book value as at 31 March 2017	**0.35**	**263.11**	**3,443.70**	**3,707.16**
Net book value as at 31 March 2018	**0.17**	**262.40**	**2,619.64**	**2,882.21**

**Refer note 39A for details*

(₹ in lakhs)

(i) Amounts recognised in statement of profit and loss for investment properties

	31 March 2018	31 March 2017
Rental income	2,102.31	554.75
Less:		
Direct operating expenses generating rental income	482.90	72.57
Direct operating expenses that did not generate rental income	146.69	503.29
Profit/(Loss) from leasing of investment properties	**1,472.72**	**(21.11)**

(ii) Leasing arrangements

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Refer note 39B(c) for details.

(iii) Fair value of investment property

Description	Fair Value (₹ in Lakhs)	
	31 March 2018	31 March 2017
Residential flats	6,601.89	6,144.56
Land and building	31,766.08	36,004.59
Office premises	706.42	693.00

Fair value hierarchy and valuation technique

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The Company obtains independent valuations for its investment properties annually and fair value measurement has been categorised as Level 3. The fair valuation has been carried out using current prices in an active market for similar properties (market approach) and under replacement cost method (cost approach).

Note : 6A Other intagible assets

(₹ in Lakhs)

Particulars	Computer software	Total
Gross carrying amount		
At 1 April 2016	739.98	**739.98**
Additions	769.57	**769.57**
Exchange difference on translation of foreign operation	(5.34)	**(5.34)**
Disposals/assets written off	-	**-**
Balance as at 31 March 2017	**1,504.21**	**1,504.21**
Additions	235.04	**235.04**
Exchange difference on translation of foreign operation	0.08	**0.08**
Disposals/assets written off	-	**-**
Balance as at 31 March 2018	**1,739.33**	**1,739.33**
Accumulated amortisation		
At 1 April 2016	525.35	**525.35**
Amortisation charge for the year	240.65	**240.65**
Exchange difference on translation of foreign operation	(3.60)	**(3.60)**
Adjustments for disposals	-	**-**
Balance as at 31 March 2017	**762.40**	**762.40**
Amortisation charge for the year	391.23	**391.23**
Exchange difference on translation of foreign operation	(1.94)	**(1.94)**
Adjustments for disposals	-	**-**
Balance as at 31 March 2018	**1,151.69**	**1,151.69**
Net book value as at 31 March 2017	**741.81**	**741.81**
Net book value as at 31 March 2018	**587.64**	**587.64**

Note : 6B Intangible assets under development

(₹ in Lakhs)

Particulars	Exploration and evaluation assets	Total
Gross carrying amount		
At 1 April 2016	735.69	**735.69**
Additions	3,220.17	**3,220.17**
Disposals/assets written off	(193.59)	**(193.59)**
Balance as at 31 March 2017	**3,762.27**	**3,762.27**
Additions	1,043.54	**1,043.54**
Disposals/assets written off	(1,961.77)	**(1,961.77)**
Balance as at 31 March 2018	**2,844.04**	**2,844.04**

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017

Note : 7

		31 March 2018	31 March 2017
A	**Investments - non-current**		
	Equity instruments		
	Investment in subsidiary companies (unquoted)		
	Certification Engineers International Limited	20.00	20.00
	1,00,000 (previous year 31 March 2017: 100,000) equity shares of ₹ 100 each fully paid up		
	in wholly owned subsidiary, out of which 80,000 equity shares were received by way of Bonus shares		
	Sub-total (A)	**20.00**	**20.00**
	Investment in joint venture companies (unquoted)		
	TEIL Projects Limited	550.00	550.00
	5,500,000 (previous year 31 March 2017 : 5,500,000) equity shares of ₹ 10 each fully paid up		
	Less: Impairment in value of investments	(540.05)	(537.82)
	Sub-total (B)	**9.95**	**12.18**
	Jabal Eiliot Co. Ltd.	599.00	599.00
	500,000 (previous year 31 March 2017 : 500,000) shares of SR 10 each fully paid up		
	Less: Historical cost of part repatriated capital	(396.38)	(396.38)
	Less: Impairment in value of investments	(202.62)	(202.62)
	Sub-total (C)	**-**	**-**
	Ramagundam Fertilizers and Chemicals Limited*	21,869.00	15,344.00
	218,690,002 (previous year 31 March 2017: 125,440,004) equity shares of ₹10 each fully paid up		
	Sub-total (D)	**21,869.00**	**15,344.00**
	Grand total (A+B+C+D)	**21,898.95**	**15,376.18**
	Aggregate book value of unquoted investments - Gross book value	22,641.62	16,116.62
	Aggregate amount of impairment in value of investments	742.67	740.44

Particulars	Principal place of business	Ownership interests	Accounted on
Certification Engineers International Limited	India	100%	Stated at cost as per the provisions of Ind AS 27 'Separate Financial Statements'
TEIL Projects Limited	India	50%	
Jabal Eiliot Co. Ltd.	Saudi Arabia	33.33%	
Ramagundam Fertilizers and Chemicals Limited	India	36.3202%	

** Includes share application money for Nil shares of ₹ 10 each fully paid (Previous Year 31 March 2017 : 28,000,000 shares of ₹ 10 each fully paid amounting to ₹ 2800.00 lakhs against which equity shares has been allotted on 17 April 2017)*

(₹ in Lakhs)

Particulars		31 March 2018	31 March 2017
B	**Investments - current**		
	Liquid plan of mutual funds (quoted)		
	BOI AXA Liquid Fund - Direct Plan Nil units (Previous year 31 March 2017: 1,067,606.675 units)	-	10,704.34
	Daily dividend re-investment of ₹1,000 each (31 March 2017: NAV - ₹1,002.6483)		
	UTI - Liquid Cash Plan - Institutional - Direct Plan Nil units (Previous year 31 March 2017: 2,664,372.376 units)	-	27,161.83
	Daily dividend re-investment of ₹ 1,000 each (31 March 2017: NAV - 1,019.4457)		
	IDBI Liquid Fund - Direct Plan 249,572.165 units(Previous year 31 March 2017: Nil units)	2501.60	-
	Daily dividend re-investment of ₹1,000 each (31 March 2018: NAV - ₹1,002.3548)		
		2,501.60	**37,866.17**
	Aggregate book value of quoted investments	2,501.60	37,866.17
	Aggregate market value of quoted investments	2,501.60	37,866.17

Note : 8

A	**Loans - non-current**		
	(Considered good unless otherwise stated)		
	Secured		
	Loans to employees	1,340.54	1,207.34
	Unsecured		
	Security deposits	105.24	97.45
	Loans to related parties:		
	Loans to key managerial personnel	3.66	4.29
	Loans to employees	1,929.10	1,800.73
		3,378.54	**3,109.81**
B	**Loans - current**		
	(Considered good unless otherwise stated)		
	Secured		
	Loans to employees	236.81	233.22
	Unsecured		
	Loans to related parties:		
	Loans to other key managerial personnel	0.75	0.75
	Loans to employees	608.09	574.02
	Security deposits		
	Considered good	188.21	268.43
	Considered doubtful	4.23	0.69
		1,038.09	**1,077.11**
	Less: Allowance for expected credit losses	(4.23)	(0.69)
		1,033.86	**1,076.42**

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017

Note : 9

A Other financial asset - non-current		
Bank deposits with maturity more than 12 months	85.60	85.55
Others	-	2.40
	85.60	**87.95**

The above includes bank deposits ₹ 85.60 lakhs (previous year as at 31 March 2017: ₹ 85.55 lakhs) held as margin money/security against bank guarantees.

B Other financial assets - current		
(Unsecured, considered good unless otherwise stated)		
Retention against contracts	596.65	1,636.56
Work-in-progress*		
Considered good	214.33	786.37
Considered doubtful	179.56	179.56
Unbilled revenue**		
Considered good	31,589.06	31,737.53
Considered doubtful	51.77	-
Balances against joint venture entities	833.00	833.00
Others		
Considered good	2,399.29	3,379.70
Considered doubtful	2.40	2.67
	35,866.06	**38,555.39**
Less: Allowance for expected credit losses	(233.73)	(182.23)
	35,632.33	**38,373.16**

*As taken, valued and certified by the management

**Represents Gross amount due from Customer for Contract Work in terms of Ind AS 11 "Construction Contracts"

Note : 10

Deferred tax assets (net)		
Deferred tax assets arising on:		
Employee benefits:		
Provision for leave encashment	5,489.78	6,946.62
Provision for post retirement medical benefits	6,863.81	6,097.48
Provision for other benefits on retirement	93.95	96.79
Provision for long service awards	210.25	216.75
Provision for employee related expenses allowed on payment basis	4,158.74	3,223.25
Provision for contractual obligations	11,641.27	9,313.21
Provision for estimated losses	130.75	246.85
Provision for doubtful debts and advances	3,741.07	2,849.57
Others:		
Provision for loss in joint venture	173.01	170.83
Amortised cost financial instruments	46.38	34.65
Foreign currency translation reserve	3.28	9.24
Deferred tax liabilities arising on:		
Depreciation	(2,262.65)	(2,100.22)
Others :		
Income under service export of India scheme	-	(533.05)
	30,289.64	**26,571.97**

Movement in abovementioned deferred tax assets and liabilities

(₹ in Lakhs)

Particulars	1 April 2016	Recognised in other comprehensive income	Recognised in statement of profit and loss	31 March 2017	Recognised in other comprehensive income	Recognised in statement of profit and loss	31 March 2018
Assets							
Employee benefits	10,573.03	1,236.76	4,771.10	16,580.89	544.20	(308.56)	16,816.53
Provision for contractual obligations	9,929.89	-	(616.68)	9,313.21	-	2,328.06	11,641.27
Provision for estimated losses	520.82	-	(273.97)	246.85	-	(116.10)	130.75
Trade receivables	2,402.21	-	447.36	2,849.57	-	891.50	3,741.07
Others	171.84	-	42.88	214.72	(5.95)	13.90	222.67
Deferred tax liabilities arising on:							
Depreciation	(1,695.43)	-	(404.79)	(2,100.22)	-	(162.43)	(2,262.65)
Others	(535.14)	10.10	(8.01)	(533.05)	-	533.05	-
Total	**21,367.22**	**1,246.86**	**3,957.89**	**26,571.97**	**538.25**	**3,179.42**	**30,289.64**

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Note : 11		
Non-current tax assets (net)		
Advance income tax (net of provision for taxation amounting to Nil (previous year 31 March 2017: ₹28,471.94 lakhs)	101.39	424.08
	101.39	**424.08**
Note : 12		
A Other non-current assets		
(Unsecured, considered good unless otherwise stated)		
Capital advances	189.93	40.53
Prepaid expense and rent advance	782.68	745.26
	972.61	**785.79**
B Other current assets		
(Unsecured, considered good unless otherwise stated)		
Advances to vendors/contractors		
Considered good	10,472.89	4,701.35
Considered doubtful	5.05	2.58
Prepaid expenses	501.67	561.00
Deposit with statutory authorities	2,468.92	600.50
Assets held for sale (refer note 65)	0.44	0.44
Claims receivable		
Considered good	0.60	12.93
Considered doubtful	10.05	10.05
Advances to employees		
Considered good	323.61	282.06
Considered doubtful	1.36	1.36
Other advances	4.55	4.39
	13,789.14	**6,176.66**
Less: Impairment of non-financial assets	(16.46)	(13.99)
	13,772.68	**6,162.67**

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Note : 13		
Inventories		
(lower of cost or net realizable value)		
Stores, spares and chemicals in hand	110.19	105.44
	110.19	**105.44**
Note : 14		
Trade receivables		
Trade receivable		
Considered good	54,492.59	38,307.82
Considered doubtful	10,462.14	8,045.21
	64,954.73	**46,353.03**
Less: Allowance for expected credit losses	(10,462.14)	(8,045.21)
	54,492.59	**38,307.82**
Note : 15		
Cash and cash equivalents		
Balances with banks in current account*	894.98	1,851.45
Banks deposits having maturity of less than three months**	1,556.60	13,885.28
Cash and stamps on hand*	4.79	8.35
	2,456.37	**15,745.08**

** Includes ₹ 65.12 lakhs(previous year 31 March 2017: ₹ 102.99 lakhs) in currencies which are not repatriable.*

*** Includes interest accrued on bank deposits ₹ 0.88 lakhs (previous year 31 March 2017: ₹ 1.28 lakhs)*

Particulars	31 March 2018	31 March 2017
Note : 16		
Other bank balances		
Unpaid dividend account	78.56	139.12
Amount held on behalf of clients	11,608.99	5,031.33
Banks deposits having maturity of more than three months but are due for maturity within twelve months from balance sheet date (refer notes below)	2,33,919.21	2,10,133.71
	2,45,606.76	**2,15,304.16**

Notes:

(i) *Includes bank deposits having more than twelve months original maturity of ₹ 23,028.41 lakhs (previous year 31 March 2017: ₹ 52,920.64 lakhs)*

(ii) *Includes bank deposits ₹8,436.46 lakhs (previous year 31 March 2017: ₹ 12,317.47 lakhs) held as margin money/security against bank guarantees.*

(iii) *Includes interest accrued on bank deposits ₹ 2,968.54 lakhs (previous year 31 March 2017: ₹3,950.97 lakhs)*

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017

Note : 17

Equity share capital		
Authorised share capital		
800,000,000 (previous year 31 March 2017: 800,000,000) equity shares of par value of ₹ 5 each	40,000.00	40,000.00
	40,000.00	**40,000.00**
Issued share capital		
631,992,420 (previous year 31 March 2017: 673,954,200) equity shares of par value of ₹5 each	31,599.62	33,697.71
	31,599.62	**33,697.71**
Subscribed and paid up		
631,911,420 (previous year 31 March 2017: 673,873,200) equity shares of par value of ₹ 5 each	31,595.57	33,693.66
Add: Forfeited shares	0.01	0.01
Amount originally paid up on 2,600 equity shares of par value of ₹ 5 each (previous year 31 March 2017: 2,600 equity shares of par value of ₹ 5 each)		
	31,595.58	**33,693.67**
a) Reconciliation of shares outstanding at the beginning and at the end of the year		
Equity shares	**Number**	**Number**
Shares outstanding at the beginning of the year	67,38,73,200	33,69,36,600
Add : bonus shares issued during the year	-	33,69,36,600
Less : buy back of shares during the year	4,19,61,780	-
Shares outstanding at the end of the year	**63,19,11,420**	**67,38,73,200**
b) Details of shareholders holding more than 5% equity shares in the Company		
Name of shareholders	**Number**	**Number**
President of India	32,86,89,731	38,42,24,594
	52.02%	57.02%
ICICI Prudential Value Fund - Series - 1	3,81,02,586	1,00,11,345
	6.03%	1.49%
c) Other disclosures		
Aggregate number of equity shares having par value of ₹ 5 each allotted as fully paid up by way of bonus share during the period of five years immediately preceding the Balance sheet date	33,69,36,600	33,69,36,600
Aggregate number of equity shares having par value of ₹ 5 each has been bought back by way of buy back during the period of five years immediately preceding the Balance sheet date	4,19,61,780	-

d) Terms and rights attached to equity shares

The Company is having only one class of equity shares having par value of ₹ 5 each. Each Shareholder is eligible for one vote per share held. The Dividend proposed by Board of Directors is subject to the approval of Shareholders in the ensuing Annual General Meeting except in case of Interim Dividend. In the event of Liquidation, Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount in proportion to their shareholding.

Note : 18

Other equity

Nature and purpose of other reserves

General Reserve

General Reserve is created out of the accumulated profits of the Company as per the provisions of Companies Act.

Capital Redemption Reserve

The Company has Created Capital Redemption Reserve out of free reserves, a sum equal to the nominal value of the shares purchased transferred to the capital redemption reserve account and details of such transfer disclosed in the balance sheet as per the provisions of Companies Act.

Retained Earnings

All the profits made by the Company are transferred to retained earnings from statement of profit and loss.

CSR Activity Reserve

The Company is required to create the CSR Activity Reserve for the allocation of expenses in respect of CSR activities. CSR Activity Reserve represents unspent amount, out of amounts set aside of profit earned in the past years for meeting social obligations as per Department of Public Enterprise guidelines for Corporate Social Responsibility and provisions of the Companies Act, 2013 and rules made thereunder.

Corpus for Medical Benefits for Employees retired prior to 01.01.2007

The Company has created separate corpus of medical benefits to retired employees who have retired prior to 01.01.2007 in terms of DPE guidelines

Other Comprehensive Income

Other comprehensive income represents balance arising on account of translation of foreign operation and gain/(loss) booked on re measurement of defined benefit plans.

(₹ in Lakhs)

	Particulars	31 March 2018	31 March 2017
Note : 19			
A	**Other financial liabilities - non-current**		
	Security deposits and retentions	650.38	119.23
		650.38	**119.23**
B	**Other financial liabilities - Current**		
	Security deposits and retentions	19,986.64	17,852.67
	Capital creditors	1,799.45	2,063.36
	Accrued employees benefits	7,340.27	3,813.70
	Unpaid dividend*	78.56	139.12
	Amount held on behalf of clients	11,608.99	5,031.33
	Other liabilities against joint venture entities	833.00	833.00
		41,646.91	**29,733.18**
	**Excluding amount due for payment to Investor Education And Protection Fund*		
Note : 20			
A	**Provisions - non-current**		
	Employees' post retirement/long-term benefits	727.91	762.86
		727.91	**762.86**
B	**Provisions - current**		
	Employees' post retirement/long-term benefits	12,740.93	17,716.28
	Provision for contractual obligations	33,460.89	27,057.38
	Provision for expected losses	374.18	713.28
	Provision for corporate social responsibility	90.55	90.09
		46,666.55	**45,577.03**

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017

Note : 21

A Other non-current liabilities		
Advances received from clients	845.35	1,213.74
Deferred income	15.64	9.17
	860.99	**1,222.91**
B Other current liabilities		
Advances received from clients	3,002.17	3,699.95
Income received in advance*	88,410.93	42,167.17
Service tax/GST payable	3,991.75	18.83
Withholding for employees including employers contribution	2,751.10	1,217.35
Withholding for income taxes	4,396.69	1,280.27
Deferred income	65.73	14.89
Other liabilities	147.74	144.67
	1,02,766.11	**48,543.13**

**Represents Gross amount due to Customer for Contract Work in terms of Ind AS 11 “Construction Contracts”*

Note : 22

Trade payables		
Due to Micro and Small Enterprises (refer Note 57)	959.24	795.33
Due to others	20,841.79	21,494.38
	21,801.03	**22,289.71**

Note : 23

Current tax liabilities (net)		
Provision for taxation (net of advance tax amounting to ₹56,320.97 lakhs (previous year 31 March 2017: ₹ 15,753.76 lakhs)	1,124.43	6,016.07
	1,124.43	**6,016.07**

(₹ in Lakhs)

	Particulars	31 March 2018	31 March 2017

Note : 24

	Revenue from operations		
I	**Consultancy and engineering services**	**1,37,375.37**	**1,15,052.83**
	Increase/(decrease) in work-in-progress		
	Closing work-in-progress	393.89	965.93
	Less: Opening work-in-progress	965.93	327.99
		(572.04)	**637.94**
	Other operating income		
	Income under service export from India scheme	1,125.90	815.98
	Sub-total (A)	**1,37,929.23**	**1,16,506.75**
II	**Turnkey projects**	40,829.02	28,357.56
	Increase/(decrease) in work-in-progress		
	Closing work-in-progress	-	-
	Less: Opening work-in-progress	-	-
		-	-
	Sub-total (B)	**40,829.02**	**28,357.56**
	Grand total (A+B)	**1,78,758.25**	**1,44,864.31**

Note : 25

Other income		
Interest income		
Bank deposits	12,313.19	19,853.67
Loan to employees	298.58	311.48
Income-tax refunds	-	71.86
Others	193.52	330.78
Amortization of deferred income	45.73	22.69
Dividend income from subsidiary company	700.00	500.00
Dividend income from current investments	1,330.51	233.98
Capital gain on redemption of investments in mutual funds	27.82	-
Funds received against research and development (netting off the utilisation)	-	-
(31 March 2018: Received ₹ 744.01 lakhs and utilised ₹ 744.01 lakhs and 31 March 2017: Received ₹ 80.66 lakhs and utilised ₹ 80.66 lakhs)		
Profit on sale of assets	5.47	10.41
Foreign exchange difference (net)	630.80	-
Rental income	2,138.30	554.91
Miscellaneous income	263.15	476.26
	17,947.07	**22,366.04**

Note : 26

Technical assistance/sub contracts	**21,210.66**	**16,358.11**

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017

Note : 27

Construction materials and equipments	**9,979.83**	**6,332.59**

Note : 28

Employee benefits expense		
Salaries and allowances@		
Staff	62,021.34	51,059.29
Directors	182.77	190.56
Contribution towards employees pension and provident fund and administration charges thereon		
Staff	4,837.05	4,228.57
Directors	14.51	13.59
Contribution towards employees defined contributory superannuation scheme		
Staff	2,693.46	5,114.15
Directors	6.75	16.69
Staff Welfare #		
Staff	2,974.34	3,221.05
Directors	6.02	5.23
Contribution to gratuity fund (net of contribution received from others)*	2,978.66	10,548.55
	75,714.90	**74,397.68**

@ Salaries and Allowances Includes :

a) Provision for bonus of ₹ 0.32 lakhs (previous year : ₹ 0.33 lakhs).

b) ₹ 1,825.30 lakhs (previous year : ₹ 3,162.72 lakhs) on account of Leave Encashment Funded Scheme with LIC of India.

 # Includes expenditure for medical benefits of ₹ 710.81 lakhs (previous year : ₹ 1579.74 lakhs) for employees retired prior to 01.1.2007.

**Includes Term Insurance Premium paid to LIC of India.*

Note : 29

Finance cost		
Income tax	12.31	294.56
Unwinding of discount on security deposit	44.90	22.59
	57.21	**317.15**

Note : 30

Depreciation and amortization		
Depreciation on property, plant and equipment	1,861.62	1,845.71
Depreciation of investment property	129.84	164.54
Amortization of other intangible assets	391.23	240.65
	2,382.69	**2,250.90**

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Note : 31		
Other expenses		
A Facilities		
Rent expense - office	523.66	586.75
Rent - residential accommodation		
Staff (net of recovery of ₹ 152.83 lakhs (previous year: ₹ 205.46 lakhs))	667.56	1,113.28
Directors (net of recovery of ₹ 0.77 lakhs (previous year: ₹ 1.27 lakhs))	3.54	7.34
Light, water and power	1,319.84	1,220.12
Insurance	382.22	288.62
Miscellaneous repair and maintenance	3,814.13	3,021.74
Repair and maintenance of own building	275.61	93.79
Repair and maintenance of plant and machinery	348.86	436.23
Hire charges of office equipments	13.94	41.11
Sub total (A)	**7,349.36**	**6,808.98**
B Corporate costs		
Bank charges	136.64	197.63
Sitting fees to independent directors	19.37	8.74
Advertisement for tender and recruitment	1,072.41	584.73
Publicity	356.63	342.58
Subscription	127.84	93.45
Entertainment	186.65	147.50
Remuneration to auditors * :		
For Audit	10.04	10.04
For Tax Audit	1.85	1.85
Others	7.33	8.43
Filing fee	7.79	23.82
Legal and professional charges	682.82	422.67
Licences and taxes	462.58	441.21
Loss on sale of assets	0.58	0.64
Foreign exchange difference (net)	-	19.67
Fixed assets written off	5.74	3.33
Sub total (B)	**3,078.27**	**2,306.29**
** Excluding remuneration for buy back amounting to ₹ 1.90 lakhs (previous year : Nil)*		
C Other costs		
Consumables/stores/equipment - R&D Centre	19.69	26.56
Travel and conveyance		
Directors*	28.23	45.83
Others	5,941.61	6,681.61
Printing, stationery and general Office supplies	409.75	418.64
Newspapers and periodicals	29.11	29.67
Postage and telecommunications	482.67	517.80
Courier, transportation and handling	163.49	37.97
Commission to foreign agents	186.97	237.95
Allowance for expected credit losses - trade receivables and advances (net)	2,474.44	1,300.90
Bad debts written off	55.32	49.96

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Deposits written off	1.86	14.47
Dry well written off	1,961.77	193.59
Provision for contractual obligations (net)	6,403.51	(1,781.87)
Provision for expected losses (net)	(339.10)	(791.61)
(Reversal of impairment)/impairment in value of investments	2.23	(4.39)
Training Expenses		
Travel	-	0.23
Others	53.73	50.91
CSR Expenses (Refer note below)	1,474.29	1,099.69
Expenditure relating to oil and gas exploration blocks	681.37	255.88
Loss on modification of employee advances	6.68	105.83
Miscellaneous expenses	121.32	16.45
	20,158.94	**8,506.07**
Less: Inhouse expenditure relating to		
Capital works	(36.69)	(65.49)
Sub total (C)	**20,122.25**	**8,440.58**
Grand total (A+B+C)	**30,549.88**	**17,555.85**

**Includes recovery of ₹ 1.31 lakhs on account of use of car (previous year : ₹ 1.38 lakhs)*

Note:

Corporate social responsibility expenses

The requisite disclosure relating to CSR expenditure in terms on Guidance Note on Corporate Social Responsibility (CSR) issued by the Institute of Chartered Accountants of India:

(a) Gross amount required to be spent by the Company during financial year 2017-18 - ₹ 916.03 lakhs (previous year: ₹ 1,030.08 lakhs)

(b) Amount spent during the financial year ended 31 March 2018 and 31 March 2017 on:

(₹ in Lakhs)

Particulars		In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	31 March 2018	609.94	27.04	636.98
	31 March 2017	106.81	47.39	154.20
(ii) On purposes other than (i) above	31 March 2018	773.80	63.51	837.31
	31 March 2017	902.79	42.70	945.49

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017

Note : 32

Income tax		
Tax expense comprises of:		
Current income tax	21,669.47	21,480.52
Earlier years tax adjustments (net)	532.86	(8.25)
Deferred tax	(3,179.42)	(3,957.89)
	19,022.91	**17,514.38**

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 34.608% and the reported tax expense in statement of profit and loss are as follows:

Statement of profit and loss		
Accounting profit before tax	56,810.15	50,018.07
At India's statutory income tax rate of 34.608% (31 March 2017: 34.608%)	19,660.86	17,310.26
Adjustments in respect of current income tax		
Tax expense on account of joint control operation	0.78	3.22
Tax impact of exempted income	(702.72)	(254.02)
Tax impact of expenses which will never be allowed	334.67	470.69
Earlier years current tax adjustments (net)	532.86	(8.25)
Earlier years deferred tax adjustments (net)	(803.80)	-
Others	0.26	(7.52)
	19,022.91	**17,514.38**

The provision for current income-tax has been worked out taking into consideration the provisions of Income Computation and Disclosure Standards notified by Central Board of Direct Taxes vide Notification No. 87/2016 dated September 29, 2016.

Note : 33

Earnings per share (EPS)

Earnings per Share ("EPS") is determined based on the net profit attributable to the shareholders' of the Company. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

Pursuant to Public Announcement published on June 17, 2017 and letter of offer dated July 17, 2017, the company has bought back its 4,19,61,780 number of Equity shares of Face value of ₹ 5 each fully paid up, at a buyback price of ₹ 157/- per share through tender offer route under Stock Exchange Mechanism and extinguished these shares on August 16, 2017. Post buyback the company's equity share capital as on 31 March 2018 is ₹ 31595.58 lakhs comprising of fully paid up 63,19,11,420 equity share having face value of ₹ 5/- each .

	31 March 2018	31 March 2017
Profit attributable to equity shareholders (Amount in ₹ lakhs)	37,787.24	32,503.69
Weighted average number of equity shares	64,76,61,458	67,38,73,200
Nominal value per share in ₹	5.00	5.00
Earnings per equity share in ₹		
Basic	5.83	4.82
Diluted	5.83	4.82

Note : 34

(i) Fair value hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statement and are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: unobservable inputs for the asset or liability.

(ii) Financial assets and liabilities measured at fair value – recurring fair value measurements

(₹ in Lakhs)

31 March 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Liquid plan of mutual funds	2,501.60	-	-	2,501.60
Total financial assets	**2,501.60**	**-**	**-**	**2,501.60**

Financial assets and liabilities measured at fair value – recurring fair value measurements

(₹ in Lakhs)

31 March 2017	Level 1	Level 2	Level 3	Total
Financial assets				
Liquid plan of mutual funds	37,866.17	-	-	37,866.17
Total financial assets	**37,866.17**	**-**	**-**	**37,866.17**

(iii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include - the use of net asset value for mutual funds on the basis of the statement received from investee party.

Note : 35

Financial instruments

(i) Financial instruments by category

(₹ in Lakhs)

Particulars	31 March 2018		31 March 2017	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Investments - mutual funds	2,501.60	-	37,866.17	-
Trade receivables-	-	54,492.59	-	38,307.82
Loans (excluding security deposits)	-	4,118.95	-	3,820.35
Other financial assets	-	35,717.93	-	38,461.11
Cash and cash equivalents	-	2,456.37	-	15,745.08
Other bank balances	-	2,45,606.76	-	2,15,304.16
Security deposits	-	293.45	-	365.88
Total financial assets	**2,501.60**	**3,42,686.05**	**37,866.17**	**3,12,004.40**
Financial liabilities				
Trade payables	-	21,801.03	-	22,289.71
Security deposits and retentions	-	20,637.02	-	17,971.90
Other financial liabilities	-	19,860.82	-	9,817.15
Capital creditors	-	1,799.45	-	2,063.36
Total financial liabilities	**-**	**64,098.32**	**-**	**52,142.12**

Investment in subsidiaries, associate and joint venture are measured at cost as per Ind AS 27, 'Separate financial statements'.

The carrying value of the amortised financial assets and liabilities approximate to the fair value on the respective reporting dates.

(ii) Risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

(A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

i) Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk on financial reporting date

B: Moderate credit risk

C: High credit risk

The Company provides for expected credit loss based on the following:

Asset group	Basis of categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets	12 month expected credit loss
Moderate credit risk	Trade receivables, loans and other financial assets	Life time expected credit loss or 12 month expected credit loss
High credit risk	Trade receivables	Life time expected credit lossfully provided for

In respect of trade receivables, the company recognises a provision for lifetime expected credit loss.

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

(₹ in Lakhs)

Credit rating	Particulars	31 March 2018	31 March 2017
A: Low credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets	3,42,686.05	3,12,004.40
B: Moderate credit risk	Trade receivables, loans and other financial assets	3,505.35	2,227.28
C: High credit risk	Trade receivables	7,194.75	6,000.85

ii) Concentration of trade receivables

The Company's exposure to credit risk for trade receivables is presented as below. Loans and other financial assets majorly represents loans to employees and deposits given for business purposes.

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Chemical Fertilizer	3,509.30	3,828.85
Hydro Carbon	56,360.98	39,244.69
Infrastructure	3,684.69	2,464.78
Mettallurgy	539.38	760.55
Power	739.37	21.56
Others	121.01	32.60
Total	**64,954.73**	**46,353.03**

b) Credit risk exposure

(i) Provision for expected credit losses

The Company provides for 12 month expected credit losses for following financial assets –

31 March 2018 **(₹ in Lakhs)**

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	2,456.37	-	2,456.37
Other bank balances	2,45,606.76	-	2,45,606.76
Loans (excluding security deposits)	4,118.95	-	4,118.95
Security deposits	297.68	4.23	293.45
Other financial assets	35,951.66	233.73	35,717.93

31 March 2017 **(₹ in Lakhs)**

Particulars	Estimated grossc arrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	15,745.08	-	15,745.08
Other bank balances	2,15,304.16	-	2,15,304.16
Loans (excluding security deposits)	3,820.35	-	3,820.35
Security deposits	366.57	0.69	365.88
Other financial assets	38,643.34	182.23	38,461.11

(ii) Expected credit loss for trade receivables under simplified approach

As at March 2018 **(₹ in Lakhs)**

Particulars	0 - 90 Days	90 - 180 Days	180 - 270 Days	270 - 360 Days	360 -450 Days	450 - 540 Days
Gross carrying value	24,184.98	7,670.30	5,036.14	7,775.24	1,295.89	1,227.58
Expected credit loss (provision)	733.76	453.14	473.87	446.81	147.42	209.93
Carrying amount (net of impairment)	23,451.22	7,217.16	4,562.27	7,328.43	1,148.47	1,017.65

Particulars	540 - 630 days	630 - 720 days	720 - 1095 days	>1095 days
Gross carrying value	1,762.68	1,590.73	2,583.15	7,194.75
Expected credit loss (provision)	94.08	337.12	371.26	7,194.75
Carrying amount (net of impairment)	1,668.60	1,253.61	2,211.89	-

As at March 2017 **(₹ in Lakhs)**

Particulars	0 - 90 Days	90 - 180 Days	180 - 270 Days	270 - 360 Days	360 -450 Days	450 - 540 Days
Gross carrying value	18,747.11	3,010.90	3,127.78	3,251.06	122.40	416.09
Expected credit loss (provision)	441.41	218.57	146.87	108.72	8.48	108.19
Carrying amount (net of impairment)	18,305.70	2,792.33	2,980.91	3,142.34	113.92	307.90

Particulars	540 - 630 days	630 - 720 days	720 - 1095 days	>1095 days
Gross carrying value	2,272.57	896.05	4,179.55	6,000.85
Expected credit loss (provision)	456.44	181.26	374.42	6,000.85
Carrying amount (net of impairment)	1,816.13	714.79	3,805.13	-

Reconciliation of loss provision – lifetime expected credit losses **(₹ in Lakhs)**

Reconciliation of loss allowance	Security deposits	Other financial assets	Trade receivables
Loss allowance on 1 April 2016	**0.69**	**2.67**	**6932.13**
Impairment loss recognised/reversed during the year	-	179.56	1,125.24
Amounts written off	-	-	(12.16)
Loss allowance on 31 March 2017	**0.69**	**182.23**	**8,045.21**
Impairment loss recognised/reversed during the year	3.54	54.17	2,424.96
Amounts written off	-	(2.67)	(8.03)
Loss allowance on 31 March 2018	**4.23**	**233.73**	**10,462.14**

(B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company’s liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

Maturities of financial liabilities

The tables below analyse the Company’s financial liabilities into relevant maturity groupings based on their contractual maturities.

(₹ in Lakhs)

31 March 2018	Less than 1 year	1 - 2 years	2 - 3 years	Total
Non-derivatives				
Trade payable	21,801.03	-	-	21,801.03
Security deposits and retentions	19,997.33	693.54	29.40	20,720.27
Capital creditors	1,799.45	-	-	1,799.45
Other financial liabilities	19,860.82	-	-	19,860.82
Total	**63,458.63**	**693.54**	**29.40**	**64,181.57**

(₹ in Lakhs)

31 March 2017	Less than 1 year	1 - 2 years	2 - 3 years	Total
Non-derivatives				
Trade payable	22,289.71	-	-	22,289.71
Security deposits and retentions	17,857.53	98.15	41.27	17,996.95
Capital creditors	2,063.36	-	-	2,063.36
Other financial liabilities	9,817.15	-	-	9,817.15
Total	**52,027.75**	**98.15**	**41.27**	**52,167.17**

(C) Market risk

(i) Foreign exchange risk

The Company has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions (imports and exports). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency. The Company does not hedge its foreign exchange receivables/payables.

Foreign currency risk exposure: **(₹ in Lakhs)**

Particulars	Currency	31 March 2018	31 March 2017
Trade payables,security deposits and retentions	AED	69.15	84.62
	USD	9,072.13	9,430.48
	EURO	28.44	173.18
	GBP	387.44	341.63
	Others	46.65	37.00
Trade receivables and security deposits	AED	302.27	439.89
	USD	13,220.83	8,478.23
	EURO	3,831.93	1,722.34
	GBP	1.38	1.21
	Others	96.14	150.45
Cash and bank balance	AED	231.49	261.85
	USD	-	-
	EURO	-	-
	GBP	8.23	1.73
	Others	89.70	117.98

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ in Lakhs)

Particulars	Currency	Exchange rate increase by 1%		Exchange rate decrease by 1%	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
Trade payables,security deposits and retentions	AED	0.69	0.83	(0.69)	(0.83)
	USD	90.72	94.88	(90.72)	(94.88)
	EURO	0.28	1.72	(0.28)	(1.72)
	GBP	3.87	3.40	(3.87)	(3.40)
	Others	0.47	0.36	(0.47)	(0.36)
Trade receivables and deposits	AED	3.02	4.39	(3.02)	(4.39)
	USD	132.21	84.78	(132.21)	(84.78)
	EURO	38.32	17.22	(38.32)	(17.22)
	GBP	0.01	0.01	(0.01)	(0.01)
	Others	0.96	1.50	(0.96)	(1.50)
Cash and bank balance	AED	2.31	2.61	(2.31)	(2.61)
	USD	-	-	-	-
	EURO	-	-	-	-
	GBP	0.08	0.01	(0.08)	(0.01)
	Others	0.90	1.18	(0.90)	(1.18)

(ii) Price risk

The Company's exposure to price risk arises from investments held and classified as FVTPL. To manage the price risk arising from investments in mutual funds, the Company diversifies its portfolio of assets.

Sensitivity analysis

Profit or loss and equity is sensitive to higher/lower prices of instruments on the Company's profit for the periods -

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Price sensitivity		
Price increase by (3 %)- FVTPL	75.05	1,135.99
Price decrease by (3 %)- FVTPL	(75.05)	(1135.99)

Note : 36

Capital management

The Company's objectives when managing capital are:

- To ensure Company's ability to continue as a going concern, and
- To provide adequate return to shareholders

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The amounts managed as capital by the Company are summarised as follows:

(₹ in Lakhs)

	31 March 2018	31 March 2017
Equity share capital	31,595.58	33,693.67
Other equity	195,191.69	243,902.32

The Company has no outstanding debt as at the end of the respective years. Accordingly, the Company has nil capital gearing ratio as at 31 March 2018 and 31 March 2017.

Note : 37

Dividends **(₹ in Lakhs)**

Nature	31 March 2018	31 March 2017
Cash dividend on equity shares declared and paid		
Final dividend for 31 March 2017 (₹ 0 .50 per share) (previous year 31 March 2016:₹ 2.00 per share)	3,159.69	6,738.73
Dividend distribution tax on final dividend	571.99	1,310.77
Interim dividend for 31 March 2018 (₹ 2.50 per share) (previous year 31 March 2017: ₹ 2.50 per share)	15,797.95	16,846.83
Dividend distribution tax on Interim dividend	3,144.83	3,388.97
Total	**22,674.46**	**28,285.30**

(₹ in Lakhs)

Proposed dividend on equity shares	31 March 2018	31 March 2017
Proposed Final dividend for 31 March 2018 (₹ 1.50 per share) (previous year 31 March 2017: ₹ 0.50 per share)	9478.67	3,369.37
Dividend distribution tax on Proposed dividend	1876.43	614.67
Total	**11355.10**	**3,984.04**
Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as liability (including dividend distribution tax)		

Note : 38

Related party

Particulars	Principal place of business	Ownership interests	Accounted on
Certification Engineers International Limited(“CEIL”)	India	100%	Stated at cost as per the provisions of Ind AS 27 'Separate Financial Statements’
TEIL Projects Limited(“TEIL”)	India	50%	
Jabal Eiliot Co. Ltd. (“JABAL”)	Saudi Arabia	33.33%	
Ramagundam Fertilizers and Chemicals Limited(“RFCL”)	India	36.3202%	

Sl No.	Name of the Related Party	Nature of Relationship
1.	Certification Engineers International Limited(“CEIL”)	Wholly owned subsidiary
2.	TEIL Projects Limited (“TEIL”)	Joint venture company
3.	Jabal Eiliot Company Limited (“JABAL”)	Joint venture company
4.	Ramagundam Fertilizers And Chemicals Limited (“RFCL”)	Joint venture company
5.	Petroleum India International (“PII”)*	Joint operation
6.	Oil And Gas Exploration And Production Block No. Cb-Onn-2010/8 *	Joint operation - Participating Interest 20%
7.	Oil And Gas Exploration And Production Block No. Cb-Onn-2010/11 *	Joint operation - Participating Interest 20%
8.	**Directors/key management personnel(KMP) (31 March 2018)**	
	Mr. Jagdish Chander Nakra	Chairman & Managing Director with effect from 12 February 2018 and Additional Charges - Director (Projects), Director (Technical) and Director (Finance) with effect from 13 February 2018
	Mr. Sanjay Gupta	Chairman & Managing Director and Additional Charge- Director (Finance) upto 31 October 2017
	Mr. Sandeep Poundrik	Director (Government Nominee)
	Mr. Umesh Chandra Pandey	Non-Official Independent Director
	Mr. Vipin Chander Bhandari	Director (Human resource)
	Mr. Rakesh Kumar Sabharwal	Director (Commercial)
	Mr. Vikas Khushalaro Deshpande	Non-Official Independent Director
	Dr. (Prof.) Mukesh Khare	Non-Official Independent Director
	Mrs. Arusha Vasudev	Non-Official Independent Director
	Ms. Shazia Ilmi Malik	Non-Official Independent Director
	Mr. Chaman Kumar	Non-Official Independent Director with effect from 8 September 2017
	Mr. Rajesh Kumar Gogna	Non-Official Independent Director with effect from 20 September 2017
	Ms. Sushma Taishete	Director (Government Nominee) upto 23 November 2017
	Mr. Ajay N. Deshpande	Director (Technical) and Additional Charges- Chairman & Managing Director and Director (Finance) upto 31 January 2018
	Mr. Ram Singh	Director (Finance) upto 30 April 2017
	Mr. Rajan Kapur	Company Secretary

Sl No.	Name of the Related Party	Nature of Relationship
9.	**Directors/key management personnel(KMP) (31 March 2017)**	
	Mr. Sanjay Gupta	Chairman & Managing Director and Additional Charge- Director (Projects)
	Mr. Sandeep Poundrik	Director (Government Nominee)
	Ms. Sushma Taishete	Director (Government Nominee)
	Mr. Ram Singh	Director (Finance)
	Ms. Veena Swarup	Director (Human resource) upto 30 June 2016
	Mr. Ajay N. Deshpande	Director (Technical)
	Mr. Ashwani Soni	Director (Projects) upto 31 December 2016
	Mr. Umesh Chandra Pandey	Non-Official Independent Director
	Mr. Vikas Khushalaro Deshpande	Non-Official Independent Director
	Dr. (Prof.) Mukesh Khare	Non-Official Independent Director
	Mrs. Arusha Vasudev	Non-Official Independent Director
	Ms. Shazia Ilmi Malik	Non-Official Independent Director with effect from 27 March 2017
	Mr. Vipin Chander Bhandari	Director (Human resource) with effect from 26 August 2016
	Mr. Rakesh Kumar Sabharwal	Director (Commercial) with effect from 27 September 2016
	Mr. Rajan Kapur	Company Secretary

* These have been accounted for as joint operation in financial statements of the company.

Related party transactions

Transactions during the year **(₹ in Lakhs)**

Particulars	Year Ended	Wholly Owned Subsidiary	Joint Venture Companies			Joint Operation			Total
		CEIL	RFCL	TEIL	JABAL	PII	Block 2010-11	Block 2010-8	
Deputation of employees and reimbursement of expenses (at cost)	31 March 2018	-	363.30	0.91	-	-	-	-	364.21
	31 March 2017	-	359.33	29.39	-	-	-	-	388.72
Dividend	31 March 2018	700.00	-	-	-	-	-	-	700.00
	31 March 2017	500.00	-	-	-	-	-	-	500.00
Rendering of services and other transactions	31 March 2018	265.00	6,384.84	-	-	-	-	-	6,649.84
	31 March 2017	177.70	5,127.02	-	-	-	-	-	5,304.72
Bad debts written off	31 March 2018	-	-	-		-	-	-	-
	31 March 2017	-	-	36.00	-	-	-	-	36.00
Services and facilities received	31 March 2018	1,130.04	-	-	-	-	-	-	1,130.04
	31 March 2017	532.28	-	-	-	-	-	-	532.28

(₹ in Lakhs)

Particulars	Year Ended	Wholly Owned Subsidiary	Joint Venture Companies			Joint Operation			Total
		CEIL	RFCL	TEIL	JABAL	PII	Block 2010-11	Block 2010-8	
Equity contribution	31 March 2018	-	6,525.00	-	-	-	-	-	6,525.00
	31 March 2017	-	12,900.00	50.00	-	-	-	-	12,950.00
(Reversal of Impairment)/ impairment in value of investment	31 March 2018	-		2.23	-	-	-	-	2.23
	31 March 2017	-	-	(7.01)	2.62	-	-	-	(4.39)
Survey/ capital expenditure and other costs	31 March 2018	-	-	-	-	-	1,989.72	1,696.96	3,686.68
	31 March 2017	-	-	-	-	-	2,137.01	1,532.62	3,669.63
Share of Income / (Expenses)	31 March 2018	-				(2.00)	-	-	(2.00)
	31 March 2017	-	-	-	-	32.52	-	-	32.52

Balances during the year (₹ in Lakhs)

Particulars	Year Ended	Wholly Owned Subsidiary	Joint Venture Companies			Joint Operation			Total
		CEIL	RFCL	TEIL	JABAL	PII	Block 2010-11	Block 2010-8	
Outstanding receivables/ advances paid/prepaid / deposits and other assets	31 March 2018	25.02	73.61	19.56	-	146.56	543.69	249.36	1,057.80
	31 March 2017	34.47	40.70	35.84	-	148.57	332.55	227.43	819.56
Outstanding payable/ retentions	31 March 2018	309.22	-	2.19	-	0.15	218.47	134.01	664.04
	31 March 2017	161.19	-	8.46	-	0.17	116.75	-	286.57
Intangible assets under development & PPE	31 March 2018	-				0.03	1,372.40	1,478.70	2,851.13
	31 March 2017	-	-	-	-	0.03	1,893.44	1,875.88	3,769.35

Transactions and balances pertaining to KMP's (₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Transaction during the year		
Remuneration/sitting fees	269.16	234.81
Rent paid for residential accommodation	3.54	7.34
Interest income on loans given	0.22	0.26
Balance as at year end		
Outstanding loans, interest and other receivables	4.41	5.88

Funded (₹ in Lakhs)

Defined benefit obligation for key management personnel						
	Gratuity (funded)		Leave encashment (funded)		Post-retirement medical benefits (funded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Total defined benefit obligation	58.95	87.09	55.10	83.63	21.82	51.88

Unfunded (₹ in Lakhs)

Defined benefit obligation for key management personnel				
	Long service award (unfunded)		Other benefits on retirement (unfunded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Total defined benefit obligation	1.50	2.79	1.30	2.26

Note : 39

A. Finance leases – lessee

The Company has taken certain lands on long-term leases ranging 60 to 99 years and certain lands on perpetual leases from government authorities. Such lands have been classified as leasehold land and are being depreciated over the tenure of the lease except for perpetual lease land.

B. Operating leases – lessee

(a) The Company has taken certain office/residential premises on operating lease which are cancellable by giving appropriate notices as per respective agreements. During the year an amount of ₹ 1,055.97 Lakhs (previous year 31 March 2017: ₹ 1,092.96 Lakhs) has been charged towards these cancellable operating leases.

(b) The Company has taken certain assets like car, commercial/residential premises etc. on non-cancellable operating leases. The leases carry renewal option to renew lease on with escalation in rent in range of 5-15%. During the year an amount of ₹ 386.46 Lakhs has been paid (previous year 31 March 2017: ₹ 898.91 Lakhs) towards these non-cancellable operating leases. The future minimum lease payments in respect of these leases are as follows:

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Within one year	329.69	556.63
Later than one year but not later than five years	243.90	488.73
Later than five years	-	-

(c) The Company has given certain office/residential premises on operating lease which are cancellable by giving appropriate notices as per respective agreements. During the year an amount of ₹ 2,102.31 Lakhs (previous year 31 March 2017: ₹ 554.75 Lakhs) has been accounted for as rental income in respect of these cancellable operating leases.

Note : 40

A. Contingent Liabilities:

a) Claims against the Company not acknowledged as debt.

Commercial claims including employee's claims pending in the Courts or lying with Arbitrators amounting to ₹ 22,794.93 lakhs (previous year 31 March 2017: ₹ 11,778.07 lakhs).

b) Income tax/wealth tax assessments have been completed up to the assessment year 2015-16.

Income Tax Department is in appeal against tax demand of ₹ 893.71 Lakhs (including interest) (previous year 31 March 2017: ₹ 373.83 Lakhs) with Income Tax Appellate Tribunal, against the Commissioner of Income Tax (Appeals) Orders in Company's favour for various assessment years detailed below:

Assessment Year	Amount (₹ in lakhs) 31 March 2018	Amount (₹ in lakhs) 31 March 2017
2002-03	596.33	204.22
2004-05	203.87	76.07
2011-12	93.51	50.82
2012-13	-	42.72
Total	**893.71**	**373.83**

The Company has filed an appeal with Commissioner of Income Tax (Appeals) for an amount of ₹0.66 Lakhs (including interest) (previous year 31 March 2017 : ₹ 0.32 Lakhs) against the order of Assistant Commissioner of Income Tax (TDS) u/s 201(1) for the Assessment Year 2009-10.

The Company has filed an appeal against the order of Additional Commissioner (Appeal), Mathura before sales Tax Tribunal, Agra, which has been subsequently transferred to Sales Tax tribunal, Noida, for an amount of ₹ 62.18 Lakhs (including interest) (previous year 31 March 2017: ₹ 18.71 Lakhs) on account of entry tax for the year 1999-2000 against which company has deposited an amount of ₹ 5.01 Lakhs (previous year 31 March 2017: ₹5.01 Lakhs).

The Company has filed a writ petition before Hon'ble Andhra Pradesh High Court against the VAT Assessment Order of commercial Tax Officer dated 27 August 2016 levying tax of ₹10,358.77 Lakhs (including interest) (previous year 31 March 2017: ₹ 6,999.17 Lakhs) for the period July 2011 to March 2014.

The Company has filed a writ petition before Hon'ble Karnataka High Court against the VAT Assessment Order of Deputy Commissioner of commercial Tax dated 29 July 2016 levying tax of ₹ 3,351.40 Lakhs (including interest) (previous year 31 March 2017: ₹ 2,955.19 Lakhs) for the financial year 2009-10.

The Company has filed writ petition before Hon'ble Karnataka High Court against the VAT Assessment Order of Deputy Commissioner of commercial Tax dated 14 March 2017 levying tax of ₹ 26,149.08 Lakhs (including interest) (previous year 31 March 2017: ₹ 23,952.56 Lakhs) for the financial year 2010-11.

In respect of above contingent liabilities, it is not probable to estimate the timing of cash outflow, if any, pending the resolution of Arbitration/Appellate/Court/assessment proceedings.

B. Commitments:

a) Property, plant and equipment – estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for amount to ₹ 1461.58 Lakhs (previous year 31 March 2017: ₹1,692.70 Lakhs).

b) The Company's estimated share in work programmes committed under production sharing contract and Field development plan in respect of oil & gas exploration blocks as on 31 March 2018 is ₹ 5,638.08 Lakhs (previous year 31 March 2017: ₹1,150.49 Lakhs)

Note : 41

a) Guarantees issued by the banks and outstanding as on 31 March, 2018: ₹88,033.98 Lakhs (previous year 31 March 2017: ₹ 79,518.82 Lakhs), against which a provision of ₹ 25,606.38 Lakhs (previous year 31 March 2017: ₹ 27,191.43 Lakhs) has been made in the books towards liability for performance guarantees/warranties.

b) Letter of credit outstanding as on 31 March, 2018: ₹ 1,296.85 Lakhs (previous year 31 March 2017: Nil).

c) Corporate Guarantees issued by the Company on its behalf for contractual performance and outstanding as on 31 March, 2018: ` 15,009.04 Lakhs (previous year 31 March 2017: ₹17,473.54 Lakhs).

Note : 42

Land and buildings

i) Land and Buildings includes ₹ 0.07 Lakhs (previous years: 31 March 2017: ₹ 0.07 Lakhs) being amount invested as share money in Cooperative Housing Societies as detailed below:

Twintowers Premises Cooperative Society Limited, Mumbai	10 ordinary shares of ₹ 50 each fully paid.
Gardenview Premises Cooperative Society Limited, Mumbai	10 ordinary shares of ₹ 50 each fully paid.
Heera Panna Towers Cooperative Housing Society Limited, Vadodara	10 ordinary shares of ₹ 50 each fully paid.
Suflam Cooperative Housing Society Limited, Ahmedabad	8 ordinary shares of ₹ 250 each fully paid
Darshan Co-operative Society Limited, Vadodara	80 ordinary shares of ₹ 50 each fully paid

ii) For the following Land and Buildings, title deed/property card/mutuations etc is yet to be executed in the favour of the company:

(₹ in Lakhs)

Particulars	31 March 2018		31 March 2017	
	Cost	WDV	Cost	WDV
(a) Four Flats at Naranpura, Ahemdabad	10.31	3.54	10.31	3.79
(b) Land at Memnagar, Ahemdabad	69.21	54.69	69.21	56.28
(c) Two Floors at Race course Road, Vadodara	-	-	204.02	158.75
(d) Two Flats at Viman Nagar, Pune	8.45	3.04	8.45	3.25
(e) Eighty Four Flats at Gokuldham Goregaon, Mumbai *	238.19	38.09	238.19	43.81
(f) Six Flats in Andheri East, Mumbai	9.93	0.40	9.93	0.64
(g) One Floor at CBD Belapur, Navi Mumbai	101.68	39.78	101.68	42.23

The fees for property card/mutation etc. for above properties, being not ascertainable has not been provided for.

* Out of above properties, one of the properties, at S. No. ii (e) consisting of plot measuring 6,826.90 square meters with three Buildings, comprising of 84 flats at Gokuldham, Goregaon (East), Mumbai. Around 4,400 s¬quare meter of area only is in the Company's possession. The Company has initiated action by filing an application for eviction under the Public Premises (Eviction of Unauthorised Occupants) Act 1971 and related proceedings under MLRC are in progress. The said property is partially presented as property, plant and equipment and partially as investment property.

Note : 43

Useful life of assets

i) The useful life and depreciation rates for fixed assets in terms of the Accounting Policy defined are as below :

(₹ in Lakhs)

Sl. No.	Particulars	Rates (%age)	Useful Life (Years)	Sl. No.	Particulars	Rates (%age)	Useful Life (Years)
1.	**Land Freehold**	Nil	Perpetual	4.	**Plant and Machinery**		
2.	**Land Leasehold**	Over a lease period except for perpetual lease Nil percentage	Over a lease period except for perpetual lease Nil percentage		Plant and Machinery	8.0	12
3.	**Building**				Laboratory Equipment	9.6	10
	Office Building	2.4	40		Storage Tank	6.0	16
	R&D Centre, Gurgaon	4.0	24	5.	**Furniture and Fixtures, Office and Construction Equipment**		
	Window/Split AC	15.84	6		Furniture and Fixtures	9.6	10
	AC Central Plant	6.5	15		Chairs	16.0	6
	Lifts	6.5	15		Office Equipment	19.2	5
	Electric Power Sub Station	9.6	10		Construction Equipment	12.0	8
	Invertors	19.2	5				
	Solar photovoltaic modules	9.6	10				
	Solar power conditioning system	9.6	10	6.	**Computer Software/ Hardware**		
	Tube well and Pumps	19	5		PC/Laptop/Printer	32.43	3
	Fire Alarm System	6.52	15		Server, LAN and Networking Components	19.45	5
	Fire Fighting System	9.5	10		Projector, Video Conference Equipments	19.20	5
	Chilling Plant	9.6	10				
	Rain Harvesting System	19.20	5				
	Building Management System	6.5	15		Software*	33.33	3
	Hydraulic Access Control System	6.5	15	7.	**Vehicles**	13.75	7
	Roads	9.6	10	8.	**Library Books**	100	1
	External Lighting	9.6	10				

* Software individually costing up to ₹ 5.00 Lakhs is fully amortized during the year of its acquisition.

ii) The Capital work in progress comprises cost of Property Plant and Equipment that are not yet ready for their intended use at the balance sheet date, the details of which are as under :

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Capital expenditure incurred/Capital Assets acquired, but not yet ready		
for use at balance sheet date	2,340.79	1,810.11
Total	**2,340.79**	**1,810.11**

Note : 44

The Company is primarily operating under two segments namely Consultancy and Engineering Projects and turnkey Projects. The broad heads under which income of the Company is accounted for as per provisions of Ind AS-11 (Construction Contracts) are as below:

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Consultancy and Engineering Projects	137,929.23	116,506.75
Turnkey Projects	40,829.02	28,357.56
Total	**178,758.25**	**144,864.31**

Note : 45

Disclosure relating to construction contracts

In terms of provision of Indian Accounting Standard (Ind AS 11) "Construction Contracts", the information in respect of Lump sum services/Turnkey Projects for contract in progress as on 31 March 2018:

a. The aggregate amount of cost incurred and recognized profit up to 31 March 2018: ₹ 863,547.86 Lakhs (previous year 31 March 2017: ₹ 756,339.98 Lakhs).

b. The amount of advances received ₹ 2,900.81 Lakhs (previous year: 31 March 2017: ₹ 4,410.71 Lakhs).

c. The amount of retention ₹ 594.64 Lakhs (previous year: 31 March 2017: ₹ 1,627.92 Lakhs).

d. Gross amount due to customers for contract work amounting to ₹ 88,410.93 Lakhs (previous year: 31 March 2017: ₹ 42,167.17 Lakhs)

e. Gross amount due from customers for contract work amounting to ₹ 31,640.83 Lakhs (previous year: 31 March 2017: ₹ 31,737.53 Lakhs).

f. The estimates with respect to total cost and total revenue in respect of construction contracts are reviewed and up dated periodically to ascertain the percentage completion for revenue recognition in accordance with Indian Accounting Standard (Ind AS) -11 "Construction Contracts". However, it is impracticable to quantify the impact of change in estimates.

Note : 46

Brief description of the Company's joint ventures

a) TEIL Projects Limited ('TEIL')

A joint venture with Tata Projects Limited was formed in the financial year 2008-09 for pursuing projects on engineering procurement and construction basis (EPC Projects) in selected sectors such as oil and gas, fertilizers, steel, railways, power and infrastructure.

TEIL has been formed in this regard having its Registered Office at New Delhi has an Authorized capital of ₹ 1,500 Lakhs and Issued, Subscribed and Paid-up capital of ₹ 1,100 lakhs (Previous year 31 March 2017: ₹ 1,100 lakhs).

Of the issued, subscribed and paid-up capital, 5,500,000 shares of ₹ 10 each fully paid-up amounting ₹ 550.00 lakhs (previous year: 31 March 2017 ₹ 550.00 lakhs) are held by the Company, being 50% of paid-up capital of TEIL.

In the financial year 2015-16, it was decided to wind up TEIL and in this regard liquidator has already been appointed on 29 July 2016 and liquidation proceedings are in progress as per provisions of Companies act.

Till 31March 2017, the TEIL had negative 'other equity' to the tune of ₹ 1,075.64 Lakhs. The Company's share of negative 'other equity' ₹ 537.82 Lakhs has been accounted for as impairment in value of investment.

During the current financial year 2017-18, based on liquidator statement, TEIL had a net loss of ₹ 4.46 Lakhs. The Company's share of loss of ₹ 2.23 Lakhs has been recorded as impairment in value of investments.

b) Jabal Eiliot Company Limited ('Jabal')

A joint venture with Jabal Dhahran Company Limited Saudi Arabia and IOT Infrastructure and Engineering Services Limited, Mumbai was formed during the financial year 2011-12 for execution of contracts in Saudi Arabia in the field of oil and gas, non-ferrous metallurgy, infrastructure projects etc.

The joint venture company namely "Jabal Eiliot Company Limited" was registered with Dammam Commercial registry, Kingdom of Saudi Arabia. Jabal was formed for pursuing its business interests has an initial capital of SR. 15,000,000, out of which one third i.e. SR. 5,000,000 (Equivalent Indian ₹ 599.00 Lakhs) was contributed by the Company as its share.

Till 31 March, 2017, Jabal had incurred losses to the tune of SR 5,388,789, of which the Company's share of SR 1,669,470 (equivalent Indian ₹ 202.62 Lakhs at historical conversion rate) which has been accounted for as impairment in value of investment in Company's financial statements till 31 March 2017.

Despite all around efforts, Jabal could not secure any EPC business (except one small order of engineering) due to extremely challenging environment coupled with the preconditions of deployment of large work force in KSA to secure business.

In the absence of any business and to arrest further losses of capital the JV partners decided to dissolve Jabal and accordingly the Board of Directors of the Company in their meeting held on 30 January 2015 passed the resolution to initiate action for dissolution and liquidation of Jabal. The process of dissolution is underway.

In view of process of dissolution, the part capital of SR 3,308,713.33 (equivalent ₹ 549.85 Lakhs) has already been repatriated.

c) **Ramagundam Fertilizers and Chemicals Limited ('RFCL')**

The Company has, along with National Fertilizers Limited (NFL) and Fertilizer Corporation of India Limited (FCIL) incorporated a joint venture for setting up and operation of a gas based urea and ammonia complex in February 2015 namely Ramagundam Fertilizers and Chemicals Limited ('RFCL') having registered office in Delhi.

The Company has Authorized share capital of ₹ 150,000 Lakhs consisting 15,000 Lakhs shares of face value of ₹ 10 each.

The Shareholding of the Company, on commencement of commercial production of the project shall be in the following proportion:

National Fertilizers Limited (NFL): 26%

Engineers India Limited (EIL): 26%

The Fertilizer Corporation of India Limited (FCIL): 11%

State Government of Telangana: 11%

Others: 26% (untied as on 31 March 2018)

Shareholding of 11% by FCIL is in consideration of FCIL granting concession rights in the land, opportunity cost and value of usable assets and other items on the land at Ramagundam to the Company.

RFCL has entered into concession agreement with FCIL on 23 March 2016 towards award of rights and concession to the company in regard to facility area (land admeasuring approximately 1284 acre) for financing, designing, engineering, procurement, construction, development, operation and maintenance of the project. Shareholding of 11% to FCIL is in consideration of FCIL granting concession rights in the land, opportunity cost and value of the useable assets at Ramagundam to RFCL. However, pending compliance of conditions precedent of the Concession agreement, no shares were allotted to the FCIL in the previous year.

During the year, all the conditions precedent to the concession agreement has been completed. Pursuant to which, the company has received rights in leasehold land and certain other assets from the Fertilizer Corporation of India. As per terms of the concession agreement, the Company shall be issuing equity shares equal to 11% of the total equity portion of the capital expenditure of the project at the time of commencement of commercial production (presently ₹ 14,449.27 Lakhs) in phased manner. The Company has allotted 9,25,16,291 share (₹ 9,251.63 Lakhs) against leasehold land and other assets received. Remaining shares shall be issued to FCIL in a phased manner, in proportion to contribution to be received from NFL and EIL in future.

The paid up capital by Joint Venture Partners as on 31 March 2018 is as under:

(in Lakhs)

Shareholder	31 March 2018		31 March 2017	
	No. of Shares held of face value of ₹ 10 each	Paid up Share Capital	No. of Shares held of face value of ₹ 10 each	Paid up Share Capital
EIL	2,186.90	₹ 2,1869.00	1,254.40	₹ 12,544.00
NFL	2,186.90	₹ 2,1869.00	1,254.40	₹ 12,544.00
FCIL	925.26	₹ 9,252.63	0.10	₹ 1.00
State Government of Telangana	722.10	₹ 7,221.00	-	-
Total	**6,021.16**	**₹ 60,211.63**	**2,508.90**	**₹ 25,089.00**

Summarised financial information for Joint Venture is set out below:

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Cash and cash equivalents	277.09	1.69
Current assets	1,303.92	2,752.55
Current assets (A)	**1,581.01**	**2,754.24**
Non-current assets (B)	**191,915.42**	**31,648.75**
Current liabilities (excluding trade payables and provisions)	22,680.11	4,107.09
Trade payables and provisions	-	-
Current liabilities (C)	**22,680.11**	**4,107.09**
Non-current liabilities (D)	**111,045.56**	**-**
Net assets (A+B-C-D)	**59,770.76**	**30,295.90**

Summarised Statement of profit and loss

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Other income	192.05	30.98
Total revenue (A)	**192.05**	**30.98**
Other expense	195.61	79.44
Total expenses (B)	**195.61**	**79.44**
Profit before tax (C = A-B)	(3.56)	(48.46)
Tax expense (D)	**-**	**-**
Loss for the year (E = C-D)	**(3.56)**	**(48.46)**
Other comprehensive income (F)	-	-
Total comprehensive income (E-F)	**(3.56)**	**(48.46)**

Note : 47

As per Cabinet Committee on Economic Affairs (CCEA) decision, the nominated PSU (Engineers India Limited) was required to pay a commitment fee of ₹ 833.00 Lakhs to Fertilizer Corporation of India (FCIL) for revival of Ramagundam fertilizer plant so that net worth of FCIL is made positive to enable it to deregister from Board for Industrial and Financial Reconstruction(BIFR). In terms of approval, post deregistration, based on sale of assets by FCIL, the amount can be returned/adjusted, if necessary.

The approval of Board of EIL was accorded in the financial year 2013-14 for release of ₹ 833.00 lakhs towards commitment fee to FCIL subject to refund/adjustment in due course. Till date no amount has been disbursed to FCIL. Pending disbursement, if any, to FCIL, the amount has been disclosed as other current financial assets and a corresponding liability has been disclosed as other current financial liabilities in the financial statements of the Company.

Subsequent to deregistration of FCIL from BIFR, the Company along with National Fertilizers Limited (NFL) and Fertilizers Corporation of India (FCIL) has formed a joint venture for setting up and operation of gas based urea and ammonia complex by incorporating the Company namely Ramagundam Fertilizers and Chemicals Limited.

Note : 48

Employee benefits

Defined Contribution Plan

The amount recognized as an expense in defined contribution plan is as under:

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Contributory Provident Fund and Employees' Pension Scheme, 1995	4,851.56	4,242.16
Employees Defined Contributory Superannuation Scheme	2,700.21	5,130.84

In respect of Provident Fund, the Company has a separate irrevocable PF Trust, managing the Provident Fund accumulation of employees. In this regard, Actuarial valuation as on 31 March, 2018 was carried out by the Actuary to find out value of Projected Benefit Obligation arising due to interest rate guarantee by the Company towards Provident Fund. In terms of said valuation the Company has no liability towards interest rate guarantee as on 31 March 2018 and 31 March 2017.

Defined Benefit Plan

Company is having the following Defined Benefit Plans:

- Gratuity (Funded)
- Leave encashment (Funded)
- Post-Retirement Medical Benefits (Funded)
- Long Service Awards (Unfunded)
- Other benefits on Retirement (Unfunded)

Risks associated with plan provisions

Risks associated with the plan provisions are actuarial risks. These risks are: (i) Investment risk, (ii) interest risk (discount rate risk), (iii) mortality risk and (iv) salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government Bonds Yield. If plan liability is funded and return on plan assets is below this rate, it will create a plan deficit.
Interest risk (discount rate risk)	A decrease in the bond interest rate (discount rate) will increase the plan liability.
Mortality risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. For this report we have used Indian Assured Lives Mortality (2006-08) ultimate table. A change in mortality rate will have a bearing on the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
Medical expense inflation risk	The present value of the defined benefit plan liability is calculated with the assumption of medical expense inflation increase rate of plan participants in future. Deviation in the rate of increase of medical expense inflation in future for plan participants from the rate of increase in medical expense used to determine the present value of obligation will have a bearing on the plan's liability.
Cash allowance variation risk	The present value of the defined benefit plan liability is calculated with the assumption of cash allowance inflation increase rate of plan participants in future. Deviation in the rate of increase of cash allowance in future for plan participants from the rate of increase in cash allowance used to determine the present value of obligation will have a bearing on the plan's liability.

Disclosures related to funded obligations

a) The amounts recognized in the balance sheet

(₹ in Lakhs)

	Gratuity (funded)		Leave encashment (funded)		Post-retirement medical benefits (funded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Present value of obligations as at the end of year	20,698.36	21,042.81	15,710.21	20,072.27	19,642.27	17,618.70
Fair value of plan assets as at the end of the year	11,887.44	11,590.58	1,3884.63	16,909.34	17,680.45	12,660.71
Funded status	(8,810.92)	(9,452.23)	(1,825.58)	(3,162.93)	(1,961.82)	(4,957.99)
Net (asset)/liability recognized in balance sheet	**8,810.92**	**9,452.23**	**1,825.58**	**3,162.93**	**1,961.82**	**4,957.99**

b) Expenses recognized in statement of profit and loss

(₹ in Lakhs)

	Gratuity (funded)		Leave encashment (funded)		Post-retirement medical benefits (funded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Current service cost	1,377.07	1,439.21	2,745.44	3,479.52	393.93	356.68
Past service cost	-	8,911.92	-	-	(318.54)	-
Interest cost on defined benefit obligation	1,557.17	905.23	1,485.35	1,321.12	1,303.78	1,022.59
Interest income on plan assets	(857.70)	(881.04)	(1,251.29)	(1,120.99)	(936.89)	(916.33)
Re-measurements	-	-	(1,154.20)	(516.93)	-	-
Expenses recognized in statement of profit and loss	**2076.54**	**10,375.32**	**1,825.30**	**3,162.72**	**442.28**	**462.94**

c) Expenses recognized in Other comprehensive income

(₹ in Lakhs)

	Gratuity (funded)		Leave encashment (funded)		Post-retirement medical benefits (funded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Return on plan assets	(26.81)	(60.87)	-	-	(280.44)	(98.64)
Actuarial (gains)/loss	(2,135.36)	(860.52)	-	-	1,799.92	4,593.58
Expenses recognized in other comprehensive income	**(2,162.17)**	**(921.39)**	**-**	**-**	**1,519.48**	**4,494.94**

d) Reconciliation of opening and closing balances of defined benefit obligation

(₹ in Lakhs)

	Gratuity (funded)		Leave encashment (funded)		Post-retirement medical benefits (funded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Present value of obligations as at beginning of year	21,042.81	11,458.64	20,072.27	167,22.98	17,618.70	12,944.16
Interest cost	1,557.17	905.23	1,485.35	13,21.12	1,303.78	1,022.59
Current service cost	1,377.07	1,439.21	2,745.44	3,479.51	393.93	356.68
Actuarial (gains)/losses arising from						
Changes in demographic assumptions	-	-	-	-	-	-
Changes in financial assumptions	(482.93)	420.49	(231.81)	(498.32)	331.17	1,907.65
Experience adjustments	(1,652.43)	(1,281.00)	(904.79)	148.73	1,468.75	2,685.93
Past service cost	-	8,911.92	-	-	(318.54)	-
Benefits paid	(1,143.33)	(811.68)	(7,456.25)	(1,101.76)	(1155.52)	(1,298.31)
Present value of obligations as at end of year	**20,698.36**	**21,042.81**	**15,710.21**	**20,072.27**	**19,642.27**	**17,618.70**

e) **Reconciliation of opening and closing balances of fair value of plan assets**

(₹ in Lakhs)

	Gratuity (funded)		Leave encashment (funded)		Post-retirement medical benefits (funded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Fair value of plan assets as on beginning of year	11,590.58	11,152.44	16,909.34	14,189.78	12,660.71	11,599.12
Interest income	857.70	881.04	1,251.29	1,120.99	936.89	916.33
Re-measurement gain/ (loss) – return on plan assets excluding amounts included in net interest expense	26.81	60.87	17.59	167.35	280.44	98.64
Contributions from the employer	555.68	307.91	3162.66	2,532.98	4957.93	1,344.93
Benefits paid	(1,143.33)	(811.68)	(7,456.25)	(1,101.76)	(1,155.52)	(1,298.31)
Fair value of plan assets at the end of year	11,887.44	11,590.58	13884.63	16,909.34	17,680.45	12,660.71

f) Actuarial Assumptions

	Gratuity (funded)		Leave encashment (funded)		Post-retirement medical benefits (funded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Discount rate	7.70%	7.40%	7.70%	7.40%	7.70%	7.40%
Expected rate of future salary increase	9.00%	9.00%	9.00%	9.00%	-	-
Increase in compensation levels	-	-	-	-	8.50%	8.00%
Retirement age	60 years	60 years	60 years	60 years	-	-

Mortality rates inclusive of provision for disability -100% of IALM (2006 – 08)

g) Maturity profile of defined benefit obligation

(₹ in Lakhs)

	Gratuity (funded)		Leave encashment (funded)		Post-retirement medical benefits (funded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Weighted average of the defined benefit obligation	14 years	15 years				
Duration of defined benefit obligation Duration (years)						
1	2,890.39	2,725.66	2,888.94	3,363.86	976.11	921.47
2	2,378.44	2,404.51	2,316.70	2,874.56	972.78	913.34
3	1,912.35	2,103.83	1,884.76	2,412.54	958.92	896.49
4	1,273.10	1,703.81	1,340.38	1,987.43	948.49	876.36
5	1,255.79	1,115.82	1,215.29	1,450.53	906.68	848.75
Above 5	10,988.29	10,989.18	6,064.14	7,983.35	14,879.29	13,162.29
Total	20,698.36	21,042.81	15,710.21	20,072.27	19,642.27	17,618.70
Duration of defined benefit payments Duration (years)						
1	2,999.61	2,824.71	2,998.10	3,486.10	1,013.00	954.95
2	2,658.37	2,676.29	2,589.37	3,199.47	1,087.27	1,016.58
3	2,302.01	2,514.90	2,268.80	2,883.93	1,154.31	1,071.66
4	1,650.51	2,187.44	1,737.73	2,551.57	1,229.66	1,125.11
5	1,753.43	1,538.56	1,696.88	2,000.08	1,265.98	1,170.31
Above 5	35,300.01	34,636.84	14,091.57	18,151.23	86,426.98	69,199.17
Total	**46,663.94**	**46,378.74**	**25,382.45**	**32,272.38**	**92,177.20**	**74,537.78**

h) Major Categories of Plan Assets (as percentage of total plan assets)

	Gratuity (funded)		Leave encashment (funded)		Post-retirement medical benefits (funded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Fund managed by insurer	100%	100%	100%	100%	100%	100%

i) Sensitivity analysis

(₹ in Lakhs)

Sensitivity analysis in respect of gratuity						
Particulars	**Change in Assumption**		**Increase in defined benefit obligation**		**Decrease in defined benefit obligation**	
	31 March 2018	**31 March 2017**	**31 March 2018**	**31 March 2017**	**31 March 2018**	**31 March 2017**
Increase/(Decrease) in discount rate	+/-1%	+/-1%	1,703.27	1,755.58	1,458.17	1,497.56
Expected rate of future salary increase	+/-1%	+/-1%	331.64	380.56	381.77	429.86

(₹ in Lakhs)

Sensitivity analysis in respect of leave encashment						
Particulars	**Change in Assumption**		**Increase in defined benefit obligation**		**Decrease in defined benefit obligation**	
	31 March 2018	**31 March 2017**	**31 March 2018**	**31 March 2017**	**31 March 2018**	**31 March 2017**
Increase/(Decrease) in discount rate	+/-1%	+/-1%	802.76	1,066.73	722.27	957.67
Expected rate of future salary increase	+/-1%	+/-1%	785.07	1,040.12	720.36	952.62

(₹ in Lakhs)

Sensitivity analysis in respect of post-retirement medical benefits						
Particulars	**Change in Assumption**		**Increase in defined benefit obligation**		**Decrease in defined benefit obligation**	
	31 March 2018	**31 March 2017**	**31 March 2018**	**31 March 2017**	**31 March 2018**	**31 March 2017**
Increase/(Decrease) in discount rate	+/-1%	+/-1%	2,863.96	2,547.75	2,279.93	2,033.14
Expected rate of future salary increase	+/-1%	+/-1%	2,474.58	2,201.90	1,987.16	1,772.64

***Changes in Defined benefit obligation due to 1% Increase/Decrease in Mortality Rate, if all other assumptions remain constant is negligible.**

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined obligation has been calculated using the projected unit credit method at the end of the report period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

There is no change in the method of the valuation for the prior period. For change in assumption please refer to table (f) above, where assumptions for prior period are given.

Disclosures related to unfunded obligations

a) The amounts recognized in the balance sheet

(₹ in Lakhs)

	Long service award (unfunded)		Other benefits on retirement (unfunded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Present value of obligations as at the end of year	601.67	626.31	268.85	279.68
Funded status	(601.67)	(626.31)	(268.85)	(279.68)
Net (asset)/liability recognized in balance sheet	601.67	626.31	268.85	279.68

b) Expenses recognized in statement of profit and loss

(₹ in Lakhs)

	Long service award (unfunded)		Other benefits on retirement (unfunded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Current service cost	38.30	39.37	13.43	14.21
Past Service Cost	-	-	-	-
Interest cost	46.35	48.38	20.70	21.42
Re-measurements	9.51	28.04	-	-
Expenses recognized in statement of profit and loss	**94.16**	**115.79**	**34.13**	**35.63**

c) Expenses recognized in other comprehensive income

(₹ in Lakhs)

	Long service award (unfunded)		Other benefits on retirement (unfunded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Return on plan assets	-	-	-	-
Actuarial (gains)/losses	-	-	(6.17)	0.09
Expenses recognized in other comprehensive income	-	-	(6.17)	0.09

d) Reconciliation of opening and closing balances of defined benefit obligation

(₹ in Lakhs)

	Long service award (unfunded)		Other benefits on retirement (unfunded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Present value of obligations as at beginning of year	626.31	612.45	279.68	271.21
Interest cost	46.35	48.38	20.70	21.42
Current service cost	38.30	39.37	13.43	14.21
Actuarial (gains)/losses arising from				
Changes in demographic assumptions	-	-	-	-
Changes in financial assumptions	(10.29)	16.58	(5.88)	9.54
Experience adjustments	19.80	11.46	(0.29)	(9.45)
Past service cost, including losses/(gains) on Curtailments	-	-	-	-
Benefits paid	(118.80)	(101.94)	(38.79)	(27.25)
Present value of obligations as at end of year	**601.67**	**626.30**	**268.85**	**279.68**

e) Actuarial Assumptions

	Long service award (unfunded)		Other benefits on retirement (unfunded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Discount rate	7.70%	7.40%	7.70%	7.40%
Increase in compensation levels	-	-	5.00%	5.00%

Mortality rates inclusive of provision for disability -100% of IALM (2006 – 08).

f) Maturity profile of defined benefit obligation

(₹ in Lakhs)

	Long service award (unfunded)		Other benefits on retirement (unfunded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Weighted average of the defined benefit obligation				
Duration of defined benefit obligation				
Duration (years)				
1	101.01	105.01	41.60	38.13
2	65.64	89.08	33.67	34.89
3	51.46	57.64	27.38	30.59
4	46.75	45.23	15.44	25.29
5	56.58	40.73	16.53	14.02
Above 5	280.23	288.61	134.23	136.76
Total	601.67	626.30	268.85	279.68
Duration of defined benefit payments				
Duration (years)				
1	104.82	108.83	43.18	39.51
2	73.37	99.15	37.63	38.83
3	61.94	68.90	32.95	36.56
4	60.61	58.07	20.01	32.46
5	79.00	56.16	23.08	19.33
Above 5	675.26	667.38	427.38	416.69
Total	1055.00	1,058.49	584.23	583.38

g) Sensitivity analysis

(₹ in Lakhs)

Sensitivity analysis in respect of long service award						
Particulars	Change in Assumption		Increase in defined benefit obligation		Decrease in defined benefit obligation	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Increase/(Decrease) in discount rate	+/-1%	+/-1%	35.77	36.26	31.82	32.24

(₹ in Lakhs)

Sensitivity analysis in respect of other benefits of retirement						
Particulars	Change in Assumption		Increase in defined benefit obligation		Decrease in defined benefit obligation	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Increase/(Decrease) in discount rate	+/-1%	+/-1%	20.75	21.46	17.79	18.41
Expected rate of future salary increase	+/-1%	+/-1%	21.11	21.76	18.37	18.97

***Changes in Defined benefit obligation due to 1 % Increase/Decrease in Mortality Rate, if all other assumptions remain constant is negligible.**

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined obligation has been calculated using the projected unit credit method at the end of the report period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

There is no change in the method of the valuation for the prior period. For change in assumption please refer to table (e) above, where assumptions for prior period, if applicable, are given.

Note : 49

The wage revision in respect of employees is due w.e.f. 01.01.2017. In terms of approval of Board of Directors of the company and Presidential Directive dated 01.02.2018 received from MoP&NG, the wage revision in respect of Board level and below Board level executives have been paid/provided for in the books of accounts. For unionized staff, wage revision liability has been provided for on estimated basis in the books of accounts.

Note : 50

The Company has entered into Production Sharing Contracts with Government of India along with other partners for Exploration and Production of Oil and Gas. The Company is a non-operator and is having following participating interest in the ventures. The Company would share Expense/Income/Assets/Liabilities of the ventures on the basis of its percentage in the production sharing contracts. The detail of the Company's interest in blocks is as under

Block No.	Participating Interest
CB-ONN-2010/11	20%
CB-ONN-2010/08	20%

Based on audited financial statements of Block No. CB-ONN-2010/08 and unaudited available information for CB-ONN-2010/11 the revenue expenditure and capital expenditure has been accounted for in financial statements for year ended 31 March 2018 is as follows-:

(₹ in Lakhs)

Particular	31 March 2018	31 March 2017
Revenue expenditure	681.37	255.88
Drywell written off	1,961.77	193.59
Capital expenditure	1,043.54	3,220.17

In block No. CB-ONN-2010/08 one and CB-ONN-2010/11 two of the consortium members has defaulted in its obligation towards cash calls. In accordance with joint operating agreement the lead operator has raised default cash calls and as such proportionate share amounting to ₹ 791.40 Lakhs (previous year: 31 March 2017 : ₹ 526.60 Lakhs) in respect of same has been paid and accounted for as other current asset.

Note : 51

Segment reporting

In line with Indian Accounting Standard (Ind AS108) "Operating Segments", the Company has (segmented) identified its business activity into two business segment i.e. Consultancy and Engineering Projects and Turnkey Projects, taking into account the organizational structure and internal reporting system as well as different risk and rewards of these segments. Segment results are given below:

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Segment revenue		
Consultancy and engineering projects	137,929.23	116,506.75
Turnkey projects	40,829.02	28,357.56
Total	**178,758.25**	**144,864.31**
Segment profit		
Consultancy and engineering projects	43,026.97	35,919.83
Turnkey projects	7,536.97	10,355.12
Total (a)	**50,563.94**	**46,274.95**
Interest	57.21	317.15
Other un-allocable expenditure*	11,643.65	18,305.77
Total (b)	**11,700.86**	**18,622.92**
Other income (c)	**17,947.07**	**22,366.04**
Profit before tax (a-b+c)	**56,810.15**	**50,018.07**
Income tax expense	**19,022.91**	**17,514.38**
Profit for the year	**37,787.24**	**32,503.69**
Capital employed**	**2,26,787.27**	**2,77,595.99**

* Financial year 2017-18 includes expenditure on Oil and Gas exploration blocks including dry well written off amounting to ₹ 2,643.14 Lakhs (previous year : ₹ 449.47 Lakhs).

Financial year 2016-17 includes ₹ 9062.88 Lakhs on account of provisions for increase in gratuity ceiling from ₹ 10 Lakhs to ₹ 20 Lakhs with effect from 01 January 2017.

** Property Plant and Equipment and other assets used in the Company's business or segment liabilities contracted have not been identified to any of the reportable segments, as these assets and support services are used interchangeably between segments. Accordingly, no disclosure relating to total segment assets and liabilities has been made and capital employed has been presented.

Geographical information with respect to segment revenue

(₹ in Lakhs)

Country Name	Consultancy and engineering projects		Turnkey projects	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
India	115,345.28	86,447.02	40,829.02	28,357.56
Nigeria	13,262.59	17,776.44	-	-
United Arab Emirates (UAE)	1,283.97	2,543.07	-	-
Algeria	3,653.28	4,104.64	-	-
Oman	1,783.48	2,064.76	-	-
Others	2,600.63	3,570.82	-	-
Total	**137,929.23**	**116,506.75**	**40,829.02**	**28,357.56**

Segment revenue with major customers

During the year 31 March 2018, ₹ 42,387.44 Lakhs (previous year 31 March 2017: ₹ 38,754.01 Lakhs) of the Company's revenues, each individually exceeding 10% in the consultancy and engineering projects segment was generated from two (previous year 31 March 2017: two) customers.

During the year 31 March 2018, ₹ 37,959.27 Lakhs (previous year 31 March 2017: ₹ 28,109.56 Lakhs) of the Company's revenues, each individually exceeding 10% in the turnkey projects segment was generated from three (previous year 31 March 2017: four) customers.

Note : 52

(a) In one of the turnkey project executed by the company in previous years, the client had levied the price reduction due to delay in completion of the project and accordingly reduced contract price was recognized as revenue in terms of accounting principles. During the year, the settlement in respect of time extension has been completed with the client and accordingly revenue from operations, segment revenue from turnkey projects and profits includes an amount of ₹ 3,756.98 lakhs towards settlement of price reduction.

(b) The company during the year has received change orders from two of its clients in Consultancy and engineering Projects. The cumulative impact of these change orders on turnover and operating profit during the year was ₹ 7,002.66 lakhs and ₹ 6,505.94 lakhs respectively.

Note : 53

The Company in the month of April 2016 terminated a contract; consequent to receipt of findings of investigating agency that certificate submitted by the contractor for qualifying the contract was bogus. The facts in this regard including lodging of claim, subsequent to termination of contract had been disclosed in the annual account of the last financial years 2015-16 and 2016-17.

Subsequent to termination of contract, the Company is completing the project at the risk and cost of contractor in terms of provisions of the contract. The contractor has gone into arbitration and has submitted its arbitration notice. Arbitral Tribunal has been constituted. Contractor has filed its statement of claim amounting to ₹ 40,960.75 Lakhs. EIL has also filed its reply along with its counter claim and application to implead the parent company of contractor, arguments on which are being heard by arbitral tribunal. The Management does not consider any possible obligation on this account requiring future probable outflow of resources of the Company.

Note : 54

Disclosure relating to AOP

The Company is having investment in Petroleum India International (PII), an Association of Person (AOP). PII, since financial year 2010-11 has ceased its business activities and is in the process of dissolution.

The process of dissolution is not completed.

Since, the dissolution of PII is not completed, Management Committee of PII in their 57th Meeting held on 18 February 2016 at BPCL, Mumbai decided to return all monies forthwith except for retaining some amount to the members of PII.

Due to above decision, the Company has received till date an amount of ₹ 1,350.00 Lakhs (Previous Year 31 March 2017: ₹ 1,350.00 Lakhs) as its share out of total amount of ₹ 14,136.00 Lakhs (Previous Year 31 March 2017: ₹ 14,136.00 Lakhs) distributed to its members. It was also decided that in case there is subsequent demand received, the members shall return the money in proportion to their share.

It was also decided that corpus fund of PII shall be restored to ₹ 5.00 Lakhs per member being original seed capital at the time of formation of PII.

Note : 55

In terms of Indian Accounting Standard (Ind AS 37) "Provisions, contingent liabilities and contingent assets", the requisite disclosures are as under:

The movement in provisions are as under

(₹ in Lakhs)

S No.	Particulars	Class of provision			
		Contractual obligations		Expected losses	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
1	Opening balance	27,057.38	28,839.25	713.28	1,504.89
2	Additional provision during the year	8,773.02	4,923.04	257.04	175.75
3	Provision used during the year	-	-	401.39	914.17
4	Provision reversed during the year	2,369.51	6,704.91	194.75	53.19
5	**Closing balance**	**33,460.89**	**27,057.38**	**374.18**	**713.28**

Nature of provision

a) Contractual Obligations :

Contractual obligations represent provision for estimated liabilities on account of guarantees and warranties etc. in respect of consultancy and engineering services and turnkey contracts executed by the Company. The said obligation covers performance as well as defect liability period defined in the respective contracts.

For turnkey contracts, the estimated liability on account of contractual obligations is provided at 1% of revenue recognized based on risk assessment made by the management. For consultancy and engineering services contracts the estimated liability on account of contractual obligations is provided as per assessment of probable liability made by the management based on liability clauses in respective contracts.

b) Expected Losses :

For each contracts, at reporting date, total contract cost and total contract revenue are estimated. In respect of contracts, where it is probable that total estimated contract cost will exceed the estimated total contract revenue, the expected loss is recognised as an expense in the statement of Profit and Loss as per principles of Indian Accounting Standard Ind AS -11 “Construction Contracts”.

c) The disclosure in respect of contingent liabilities is given as per note no. 40.

Note : 56

Details of loans given, investment made and guarantee given covered U/S 186 (4) of the Companies Act, 2013

a) Loans given- Nil

b) Investments done are given in the joint venture note. No. 7.

Note : 57

The dues to Micro and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act 2006 to the extent information available with the company is given below:

(₹ in Lakhs)

S.No.	Particulars	31 March 2018	31 March 2017
i	Amount due and payable at the year end		
	- Principal	959.24	795.33
	- Interest on above Principal	-	-
ii	The amount of interest paid along with the amounts of the payment after the due date	-	-
iii	The amount of interest due and payable for principals already paid	-	-
iv	The amount of interest accrued and remaining unpaid at the year end	-	-
v	The amount of interest which is due and payable which is carried forward from last year	-	-

Note : 58

Remuneration to Chairman and Managing Director and full time Directors are as per their appointment letters from the Ministry of Petroleum and Natural Gas, Government of India, New Delhi. They are also allowed to use the staff car for private journeys up to a ceiling of 1000 kms per month.

Note – 59

The statement of profit and loss account includes research and development expenditure of ₹ 1,323.22 Lakhs (previous year 31 March 2017: ` 1,267.04 Lakhs).

Note – 60

There is no impairment of cash generating assets during the year in terms of Indian Accounting Standard (Ind AS-36) “Impairment of Assets”.

Note – 61

The working capital and non-fund based facilities from banks are secured by hypothecation of stocks, book debts and other current assets of the Company, both present and future.

Note – 62

For lump-sum services and turnkey contracts, balance efforts, cost and time to complete the contract including probability of levy for liquidated damages and price reduction schedules for delay as on reporting date are assessed by the management and relied upon by the auditors.

Note – 63

The balances of trade receivables, loans and advances, customer's advances, retention money, security deposits receivable/payable and trade payables are subject to confirmation and reconciliation.

Note – 64

Pursuant to Public Announcement published on June 17, 2017 and letter of offer dated July 17, 2017, the company has bought back its 41,961,780 number of Equity shares of Face value of ₹ 5 each fully paid up, at a buyback price of ₹ 157/- per share through tender offer route under Stock Exchange Mechanism and extinguished these shares on August 16, 2017.

Further, President of India, acting through DIPAM and Ministry of Petroleum and Natural Gas, Government of India, has sold 1,35,88,409 equity shares of the company to BHARAT 22 ETF through a New Fund Offer (NFO) in terms of Scheme framed in this regard. Pursuant to above, Government of India (Promoter) Shareholding was reduced from 57.02 % to 52.02%.

Note – 65

During the earlier years, the Company proposed to sale its old obsolete computers ('Assets'). Some of these Assets have been sold during the financial year 2016-17. The outstanding balance has been classified as Assets held for sale.

Note – 66

Previous year's figures have been regrouped/reclassified to make them comparable to the figures of the current year.

For Arun K Agarwal and Associates
Chartered accountants
FRN No. 003917N

For and on behalf of Engineers India Limited

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Arun Agarwal	Rajan Kapur	Sanjay Jindal	V C Bhandari	J C Nakra
Partner	**Company Secretary**	**C.G.M. [F&A]**	**Director [HR] & CFO**	**Chairman & Managing Director & CEO**
Membership No.082899	PAN: AAIPK0926B	PAN: AAIPJ4986E	DIN: 07550501	DIN: 07676468

Place: New Delhi
Date: 25 May, 2018