

46th Annual Report 2010-11



Engineering a greener tomorrow...



Our Vision

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

Our Mission

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

Our Core Values

- Benchmark to learn from superior role models.
- Nurture the essence of Customer Relationship and Bonding.
- Foster Innovation with emphasis on value addition.
- Integrity and Trust as fundamental to functioning.
- Thrive upon constant Knowledge updation as a Learning organisation.
- Passion in pursuit of excellence.
- Quality as a way of life.
- Collaboration in synergy through cross-functional Team efforts.
- Sense of ownership in what we do.

Risk Management Policy

- EIL is committed to effective management of risks across the organization by aligning its risk management strategy to its business objectives through instituting a risk management structure for timely identification, assessment, mitigating, monitoring and reporting of risks.
- Risk management at EIL is the responsibility of every employee both individually as well as collectively.



Engineering a greener tomorrow

The Oil & Gas sector right from upstream oil wells, through primary treatment, transportation downstream processing, product distribution and marketing has always been and continues to attract large investments of magnitude unheard of in any sector. The human quest for better living, exploding world population have only accelerated the energy appetite of a world which over the last five decades has attracted massive investments and the trend does not seem to reverse. The growth and spurt of energy scenario has not left India untouched whereby the rapid economic development of this world's second largest populated country has seen manifold increase in investment both in Public and Private Sector. Propelling the oil and gas sector, are companies like ONGC, IOCL, BPCL, Reliance, to name the few, and entities such as EIL which over its existence of last over four decades has provided a home grown solution from concept to commissioning of mega oil & gas projects. The company ever since its birth in 1965 has partnered with all the major players in the entire value chain of hydrocarbon in execution of practically all upstream, midstream and downstream projects.

The growth projections of the Hydrocarbon, Power and Infrastructure sector will offer considerable business opportunities for the company. In the next decade, EIL while maintaining its leadership position in areas of consultancy and strengthening its EPC business in the hydrocarbon sector will also explore diversification opportunities in high growth areas like city gas distribution, power (solar & nuclear), gas based fertilizers, water and waste management, coal to liquid and deep-sea engineering. EIL will also continue to expand its international operations in the Middle East, North Africa, Latin America, and South East Asia countries where it can provide cost and operational advantages to clients.

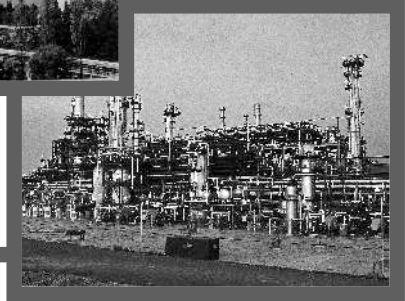
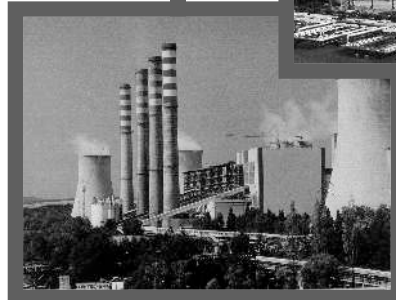
The most pressing challenge in the next decade is likely to be environmental - and more about the 'peak carbon carrying capacity' of our atmosphere than the availability of fossil fuels. The company notwithstanding its formidable legacy and propelled by present competent management team shall continue as leader in wealth creation by adopting appropriate technologies for harmonizing conventional hydrocarbon industry with environment protection, reduced carbon foot print, extensive harnessing of renewable sources of energy and enhanced global foot print.

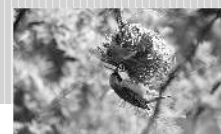


Engineers India Limited

A technologically driven evolution

- One of India's leading Consultancy and EPC Company in Hydrocarbon and Petrochemicals
- Focused diversification into related sectors
 - 1973 : Diversified business into Mining & Non-ferrous Metallurgy
 - 2001: Diversified into Infrastructure sectors
 - 2010-11: Diversification initiatives into City Gas Distribution, Nuclear and Fertilizer
- Part of Govt's energy security initiative to set up strategic crude oil storage
- Technology driven organization with an in-house and collaborative R&D
- Overseas presence in the Middle East, North Africa and South East Asia
- Zero debt firm with reserves of over ₹ 21 Billion with consistent record of healthy earnings and dividend payout





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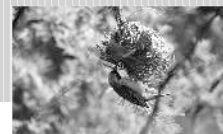
Appeal to Members

The Ministry of Corporate Affairs vide circular nos. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 has undertaken a 'Green Initiative in the Corporate Governance' and allowed Companies to service the documents to shareholders through electronic mode. As your Company is committed to the Green Initiative, Members are requested to support this by registering/updating their e-mail address, with the Company or concerned depository. The Company has sent a letter dated 4.07.2011 to all the Members in this regard and the same is also available on the website of the Company at www.engineersindia.com.



*I*nnovation is the need of the hour to meet the challenges of the changing business dynamics. We have to devise new and efficient methods of doing our work without compromising on the quality. I firmly believe that every design and system can go in for improvement.

A. K. Purwaha
Chairman & Managing Director



Chairman's Statement

Dear Shareholders

As EIL completes 46 years of its memorable journey in the Hydrocarbon Sector which began in 1965, it gives me immense pleasure to review our growth, and plan for the exciting opportunities that lie ahead of us.

EIL, as it has evolved since its inception in 1965, is a great tribute to its founding fathers, who had the intuition, foresight and vision of a vibrant industrialized India capable of holding its own in the community of advanced nations and who dared to dream high. It is also a tribute to those dedicated people who worked tirelessly with an unflinching commitment to translate those dreams into reality. They deserve our rich tributes for the successes we have seen lately.

EIL has been venturing into uncharted territories during the recent years and has taken long strides. It has registered a phenomenal growth recently, which has been made possible by the untiring efforts put in by our dedicated work-force. The results are there for everyone to see. This year the company completed work on the Bina Refinery of BORL, the company's 9th Greenfield Refinery which was dedicated to the nation on 20th May 2011, by Dr. Manmohan Singh, the Hon'ble Prime Minister of India.

The company during the financial year 2010-11 has registered a Turnover of ₹ 2823 crore, a growth of 42% over the Turnover of ₹ 1994 crore for previous Financial Year. Profit from Operations has grown by 31% to ₹ 626 crore from ₹ 478 crore. The order book which stood at around ₹ 6300 crores at the end of fiscal 2009-10 is currently over ₹ 7500 crores. The company's best-practices which have sustained this consistent growth were recognized this year with the Award of 'Star PSU of the year 2010'. This prestigious award, instituted by Business Standard and bestowed by Dr. Manmohan Singh, the Hon'ble Prime Minister of India.

The Indian hydrocarbon sector has enormous potential in the coming years, as it will continue to play a pre-eminent role in meeting the country's energy requirements and will be the key driver, after infrastructure, of India's economic growth. The strong momentum in the refining sector is expected to continue, since India has emerged as a major export oriented refining destination and because of the growing domestic demand in the back of robust economic growth. We are the only player in the Indian hydrocarbon sector to provide complete 'concept to commissioning' services under one umbrella and have emerged as the only 'total solution' engineering consultancy company, principally focused on the oil and gas and petrochemical industries. With an experience of four and half decades, we have developed an extensive track record of working with almost all the major players present in the entire value chain of hydrocarbon (upstream, midstream and downstream).

As part of strategic initiatives for enhanced growth and to leverage our strong engineering consultancy and EPC capabilities and track record, we intend to selectively diversify, where we believe there is high growth potential and we enjoy competitive advantage. We intend to explore opportunities in sectors like renewable energy, nuclear power, infrastructure, city gas distribution and fertilizer. The Indian infrastructure sector provides attractive opportunities, given the expected \$1-trillion investment in the next five years. The new sectors will contribute considerably to the top and bottom line of the company for the next three to five years. This will be followed by healthy margins. However our focus will continue to be in the hydrocarbon sector, as that is our area of core competence.

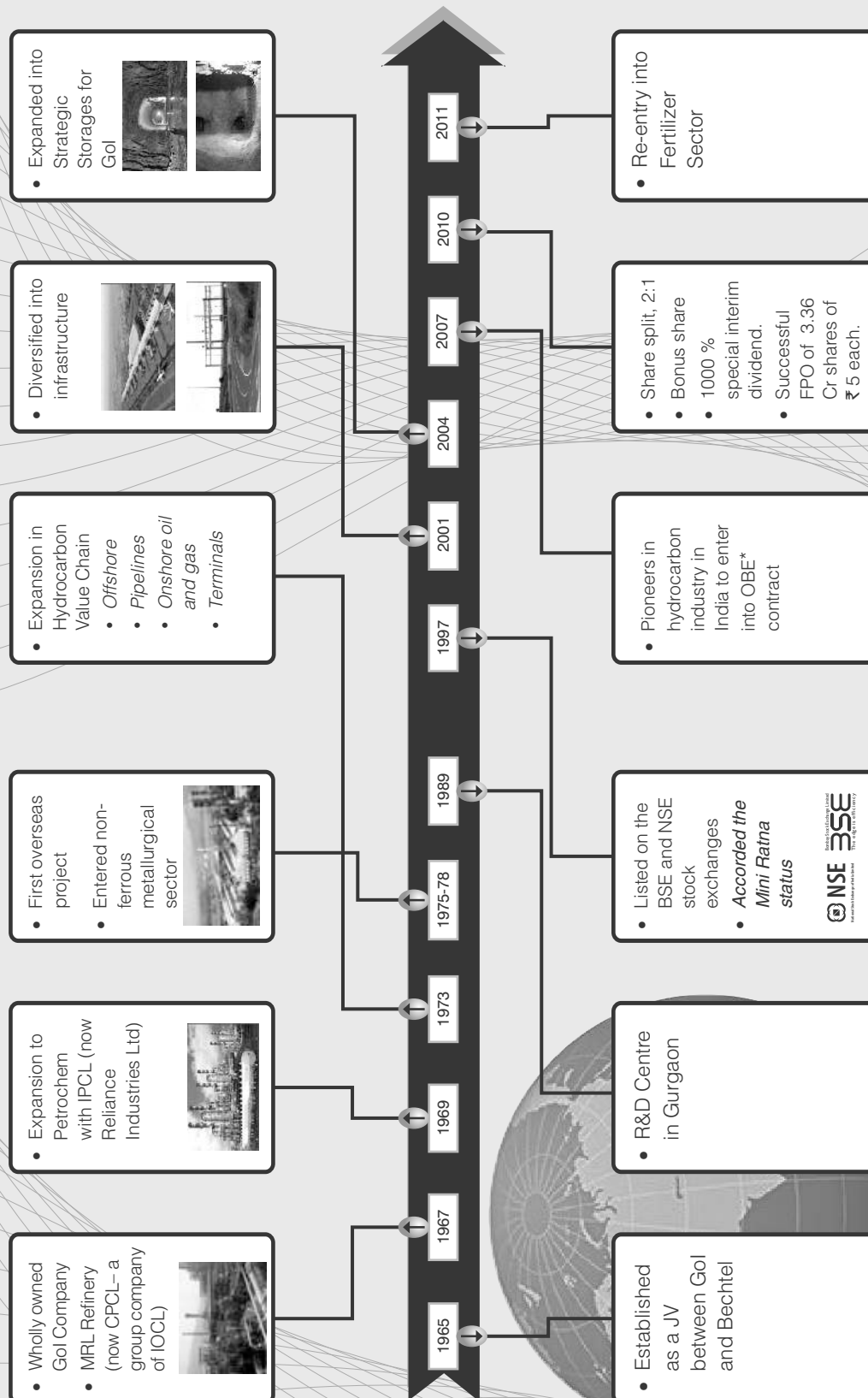
We are at a cross roads today. The business dynamics is changing. Competition is increasing. Clients are more demanding today. Innovation is the need of the hour to meet the challenges of the changing business dynamics. I acknowledge that organizations are built on a strong management-stakeholder relationship, which is a two-way channel. The investor cell at EIL is active in developing our relationship with shareholders and with potential investors and analysts. Various new HR initiatives are focused towards providing our employees with the right working environment. Our various e-procurement initiatives such as online vendor registration, tender downloading, e-bill tracking etc are oriented for the ease-of-operations of our suppliers. Efforts to empower our key stake-holders will continue, with greater focus in the year ahead. Further the company remains committed to good corporate governance and ethical practices as per our listing agreement and government guidelines.

I would in the end like to say that EIL enjoys enormous credibility in the energy sector. With consistence in our ingenuity, imagination and initiative, we strive to make it a dynamic institution capable to respond to the new and evolving challenges of the future. We are confident to maintain the growth momentum in the next decade, given our planned investments, leadership position in the hydrocarbon sector and diversification initiatives. For FY 2011-12, we will strive to maintain and improve the growth margins seen in FY 2010-11.

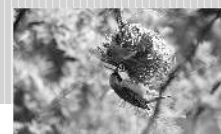
I take this opportunity to congratulate all stakeholders of EIL for their contributions in nourishing this organization to its present glory and wish your families all the very best of prosperity and good health.

A. K. Purwaha
Chairman & Managing Director







Evolution and Key Milestones



* OBE: Open Book Estimate

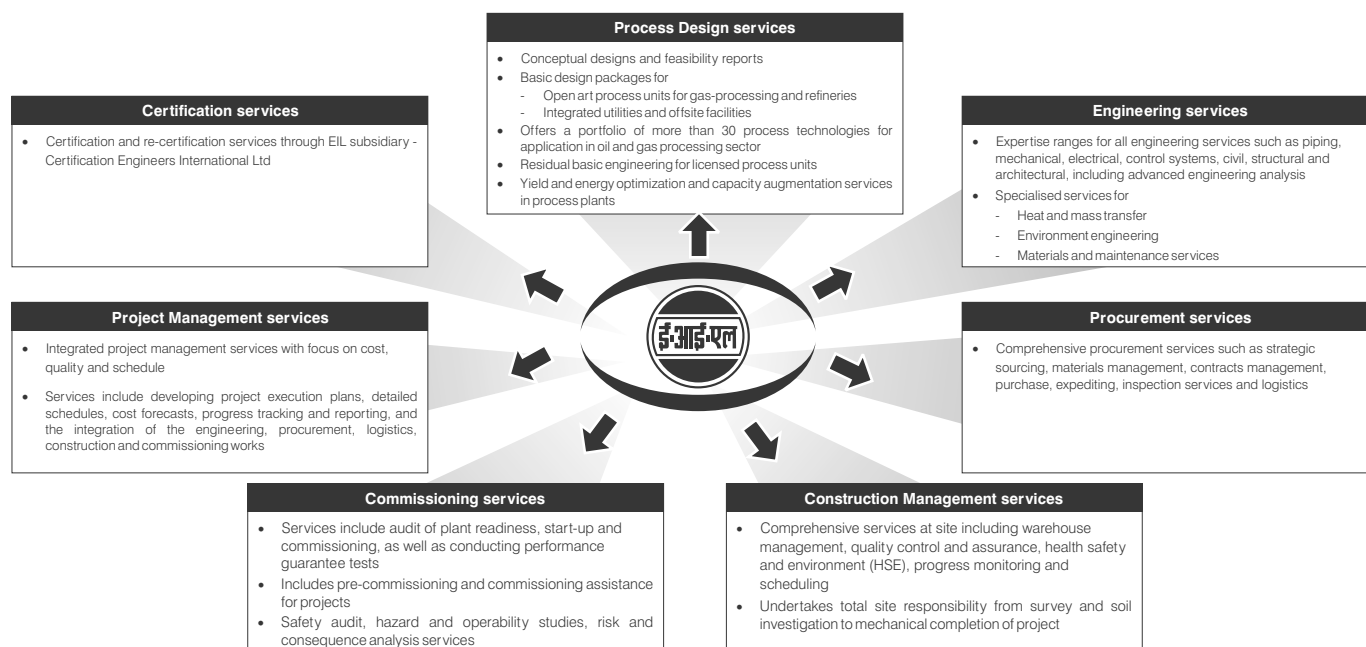


Presence Across the Hydrocarbon Value Chain

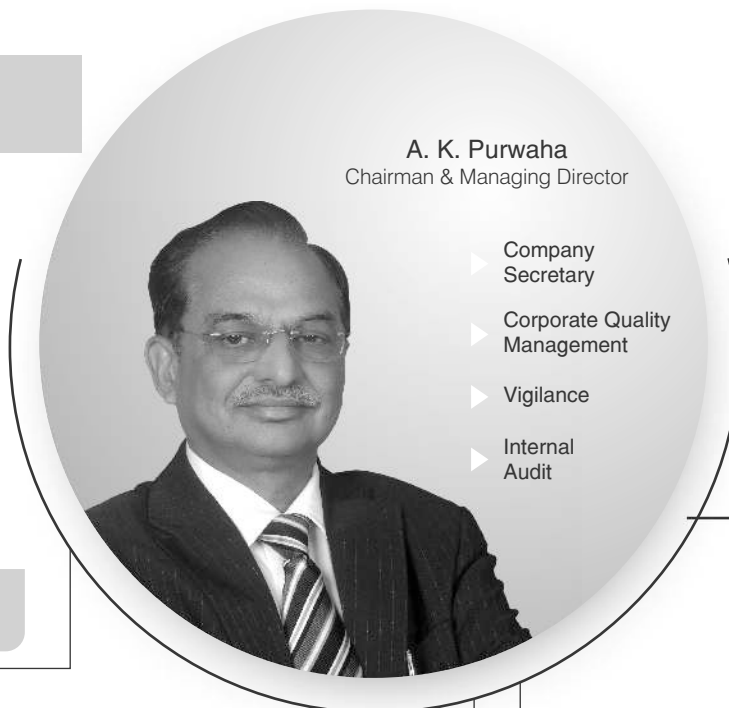
	Offshore Oil & Gas	Oil & Gas Transportation	Onshore Oil & Gas	Refineries	Petrochemicals	Storage, Ports & Terminals
						
Overview	<ul style="list-style-type: none"> Work for various engineering consultancy services on the Indian West Coast and East Coast 	<ul style="list-style-type: none"> Engineering consultancy services for more than 10,000 km of onshore and subsea pipeline projects in India and internationally 	<ul style="list-style-type: none"> Experience and engineering capabilities for the design of onshore facilities such as Group gathering stations, multistage separation, crude desalting and dehydration, heavy oil and sour oil processing 	<ul style="list-style-type: none"> Range of services from concept to commissioning of refinery projects ranging from single unit revamp projects to mega refinery or refinery cum petrochemical complexes 	<ul style="list-style-type: none"> EIL's experience in the field of petrochemicals covers the design and construction of major fully-integrated petrochemical complexes, as well as a large number of individual petrochemical units 	<ul style="list-style-type: none"> Engineering consultancy services on various coastal engineering projects, including geo-technical engineering, layout preparation for ports and shipyards and materials handling
Key highlights	<ul style="list-style-type: none"> Engineering consultancy services on more than 150 well platforms and 30 process platforms in India for ONGC Executed international projects in Qatar and Abu Dhabi Engaged in the offshore platform projects for the Deen Dayal Field Development Project of GSPC on Indian East Coast 	<ul style="list-style-type: none"> EIL was involved in the development of the HBJ pipeline – India's largest gas pipeline network Engineering consultancy services to GAIL on one of the world's longest LPG pipeline Developed strategic pipelines for HPCL, BPCL, BORL, IOCL and HMEL 	<ul style="list-style-type: none"> Developed gas processing complexes at Hazira and Uran and the C2/C3 and LPG recovery units at Auraiya Currently engaged in the onshore platform projects for the Deen Dayal Field Development Project of GSPC International projects executed in Algeria and Abu Dhabi 	<ul style="list-style-type: none"> EIL has worked on over 49 refinery projects in India Worked on 8 grassroot refinery projects from concept to commissioning Expertise in LP modelling for configuration studies and energy savings in refining process 	<ul style="list-style-type: none"> EIL has been involved in the establishment of seven out of the eight mega petrochemical complexes in India EPCM services for GAIL, NOCIL, Petrofils Limited, IOCL, IPCL (now RIL) and others 	<ul style="list-style-type: none"> Developed expertise for storage of crude oil in unlined underground caverns - security initiative for strategic crude oil storage as part of the Integrated Energy Policy of GoI

Over four decades of experience in the Hydrocarbon space with a presence across the entire value chain

Service Offering: From Concept to Commissioning



Board of Directors



A. K. Purwaha
Chairman & Managing Director

- ▶ Company Secretary
- ▶ Corporate Quality Management
- ▶ Vigilance
- ▶ Internal Audit



G. D. Goyal
Director (Commercial)

Corporate Strategy

Business Development

Marketing

Joint Ventures

Equity Participation
Business

Mergers & Acquisitions

Procurement Services
(including RPOs)

Project Services-Cost Engg

Overseas Operations



D. Moudgil
Director (Projects)

Project Management

Project Engineering
Management

Project Services

Planning & Scheduling

MIS

Construction
Management

Regional Offices



P. K. Rastogi
Director (HR)

Human Resource
Management

Administration

Estate Management

Training & Development

Corporate Planning

Corporate
Communication

Corporate Social
Responsibility

Raj Bhasha