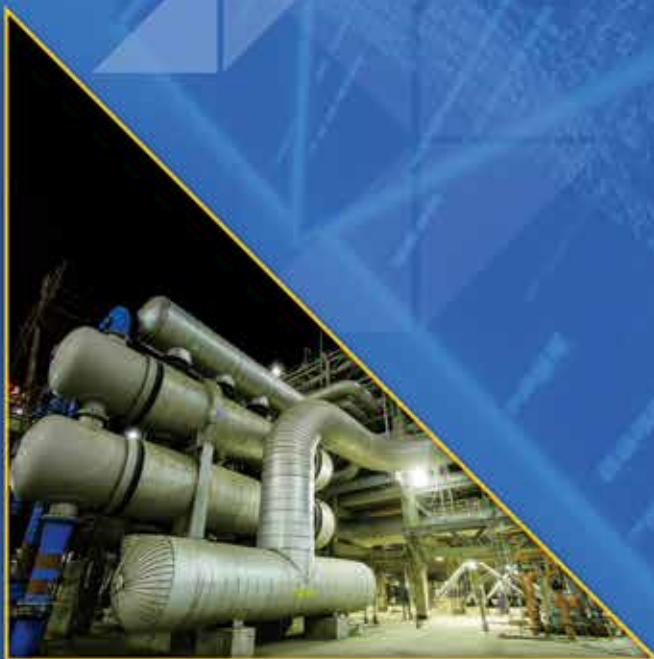
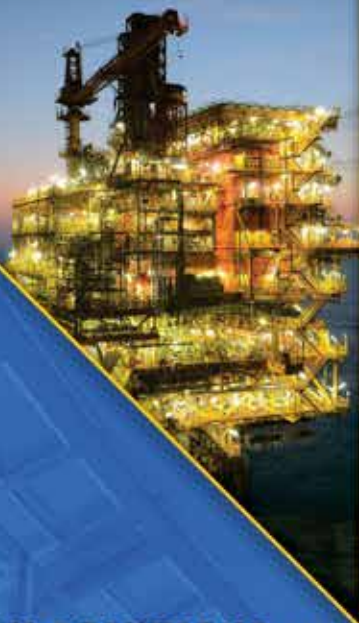
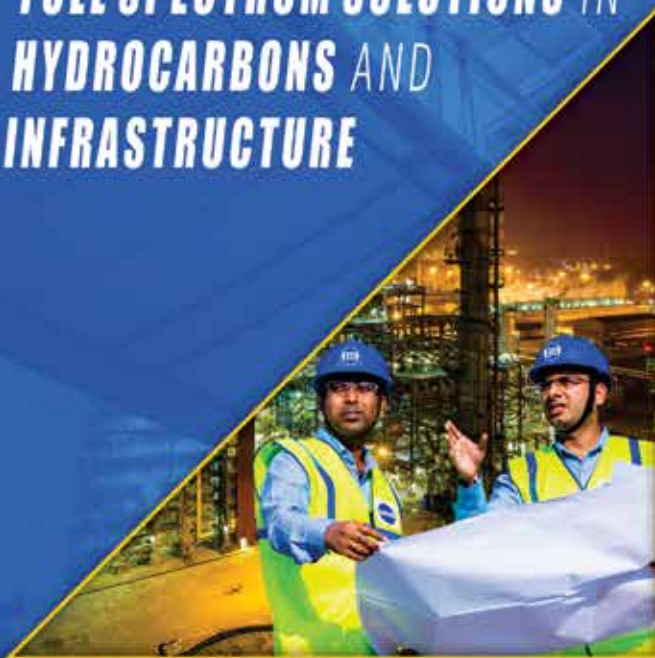




**ENGINEERS  
INDIA LIMITED**



**FULL SPECTRUM SOLUTIONS IN  
HYDROCARBONS AND  
INFRASTRUCTURE**



**51<sup>st</sup>  
annual  
report  
2015-16**

# Our Vision

To be a world-class globally competitive EPC and Total Solutions Consultancy Organization.

# 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.

# Risk Management

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.



# 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 organization.
- 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.



# Who We Are



- One of India's leading Engineering Consultancy and EPC companies in Hydrocarbons and Petrochemicals.
- Over five decades of experience on landmark projects with global energy majors.
- Significant track record across entire Oil & Gas value chain.
- Focused diversification into other sectors:
  - Fertilizer and LNG
  - Non-ferrous Metallurgy
  - Infrastructure
  - Strategic Crude Oil Storage
  - Nuclear and Solar energy
  - E&P
- Over 2400 highly experienced professionals and technical workforce.
- In-house and collaborative R&D support with 17 registered patents.
- Expanding overseas presence in MENA and South East Asia.
- Zero debt firm with track record of healthy earnings and consistent dividend payout.





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# Chairman's Statement



**Sanjay Gupta**  
Chairman & Managing Director

Dear Shareholders,

It gives me immense pleasure to report your Company's performance during its 51<sup>st</sup> year of shaping the Hydrocarbons landscape of India.

As EIL emerges from its Golden Jubilee year, with strong credentials of over five decades of service to the nation, its robust corporate strategy steered by the corporate vision to build a world-class EPC and total solutions consultancy organization continues to inspire its workforce to deliver excellence and to create a business portfolio for long term sustainable growth.

This year, your Company successfully carried out an Offer for Sale (OFS) as part of the Government of India's decision to divest 10% of its stake in EIL. The OFS was oversubscribed by 2.54 times with overwhelming participation from FIIs, banks, mutual funds and Insurance Companies. With this divestment, the GOI holding in EIL is at 59.37% of the paid up share capital of the Company.

During the financial year 2015-16, your Company has registered a turnover of ₹ 1496 Cr. The revenue from consultancy & engineering business stood at ₹ 992 Cr. Profit After Tax during the year was ₹ 258 Cr. Revenue from overseas operations touched all time high of ₹ 329 crore, a year on year increase of 49%. The contribution of revenue from overseas operations has touched 22% for FY 2015-2016 as compared to 13% in the previous fiscal.

On the business front, your Company secured new business of ₹1596 Crore in FY2015-16 which includes ₹1210 Crore from domestic

consultancy and turnkey business and ₹386 Crore from overseas business. Major contribution in the order inflows continues to be from Consultancy and Turnkey Business in Upstream and Downstream sector of Hydrocarbon Industry, both from domestic and overseas markets and diversified areas of Infrastructure.

In the upstream segment, your Company was awarded Consultancy Services for Life Extension of Well Head Platform Project (Post Award Activities) for ONGC, Consultancy Services for Integrity Check of Platforms under PRP-4 Project for ONGC, and FEED for Bhagyam Polymer Enhanced Oil Recovery Project of Cairn India Ltd.

In the midstream segment, HPCL has entrusted your Company with a challenging assignment of preparation of a DFR for pumping of LPG through a multi-product pipeline, a unique project being executed for the first time in India. In addition to this your Company has also bagged the job for providing EPCM Services for Mundra Bathinda Pipeline Capacity Expansion Project (MCEP), PMC Services for Laying Skin Effect Heat Traced Pipelines with associated facilities for BPCL at Kochi Refinery and Mumbai Refinery for integrating both Refineries.

In the downstream segment, the major orders include Diesel Hydrotreater (DHT) and Associated Facilities at BPCL Mumbai Refinery, EPCM services for DHDT Project of Numaligarh Refinery, EPCM services for Calico Tankage project at HPCL Mumbai Refinery, PMC Services for Revamp and Capacity Enhancement of BORL Refinery, Project Management Consultancy for Propylene Derivative Petrochemical Project (PDPP) at BPCL Kochi Refinery, Pre-project activities of VRMP at

HPCL Vizag Refinery, Consultancy Services for VGOHDT & SRU Revamp and Additional Offsite under Low Cost Expansion Project of GGSR Refinery of HMEL, BDEP for DHDT & DHDS Units for Gujarat Refinery of IOCL, Pre-project Activities for BS VI MS Block Project (MSBP) at Kochi Refinery of BPCL among many others.

In the Turnkey domain, your Company was successful in securing the job for executing Installation of Lean Gas Compressor and LPG Column Condenser in LPG plant at Hazira Complex on OBE mode of implementation.

Your Company has diversified into Port Infrastructure development and secured major jobs such as, PMC Services for LPG Import Facility at Haldia for BPCL, PMC Services for Construction of Fifth Oil Berth at Jawahar Dweep, Mumbai Harbor, DFR for Development of Berth in the Spending Beach to Handle Chemical Small Parcel Size Vessels at New Mangalore Port, and DFR & DPR for Providing Handling Equipment at Berth No.8 for Handling Containers and Clean Cargo for New Mangalore Port Trust.

In the Infrastructure segment, your Company has synchronized its strategic direction with the impetus created by Government of India for Urban Infrastructure Development, viz., Smart Cities & AMRUT Schemes. Your Company has secured various prestigious jobs despite stiff competition like Preparation of Smart City Proposal (SCP) for assisting Rampur Nagar Palika Parishad & Moradabad Municipal Corporation to participate in the Smart Cities Challenge. Under the Water & Waste Water Management segment your Company was awarded Project Development and Management Consultant (PDMC) Services under AMRUT for Government of Odisha, PMC services for implementation of Sewerage Projects on the command of Najafgarh Drain for segment A-B (Dhansa to Goyla) and B-C (Goyla to Keshopur) for Delhi Jal Board (DJB), under the Namami Gange Programme – Execution of entry level activities (Ghats, Crematoriums & Village level drain treatment) and Sewerage Infrastructure. Technical and Financial Audit of Infrastructure works to be executed by the Urban Local Bodies and Punjab Water Supply & Sewerage Board for Punjab Municipal Infrastructure Development Company, EPCM Services for Effluent Treatment Plant at Tengakhat Assam for Oil India Limited.

In the buildings and other infrastructure development projects, your Company secured various assignments like DPR for development of Vijayawada Airport to International Standards, PMC Services for Data Center Complex at Hyderabad for State Bank of India, PMC Services for construction and development of various buildings and services for IIT Patna.

In the overseas segment your Company has maintained its business growth in the MENA ( Middle East North Africa ) Region. In the UAE market, your Company secured two major PMC assignments viz Al-Dabbayah ASR Gas Development Project for ADCO, and Improvement of Fire Fighting Facilities at Abu Dhabi Refinery for Takreer. In Bahrain, your Company was successful in signing the extension of its long term General Engineering Services Agreement with the state owned company M/s BAPCO. Under this contract, BAPCO awarded your Company a number of engineering assignments which included FEED package for Heater Replacement and LBO Oil System Study.

Your Company has also forayed into training services segment for its overseas clients and has provided four training sessions for BAPCO in Bahrain. Trainee Engineers of DORC (Dangote Oil Refining Company) are being provided an insight into various facets of Project Management, Process Design, Detailed Engineering and Construction Management by in-house faculty of your company, including the detailed information about DORC Refinery.

Your Company has entered the Mauritius market by undertaking Feasibility Study related to supplying petroleum products in and around

Mauritius and mainland Africa, for M/s. State Trading Corporation of Mauritius. In appreciation of the work carried out for Sonangol Angola earlier for their refinery, your Company was awarded further consultancy work for cost estimation, licensor selection, BDEP review for their upcoming Lobito Refinery for Sonangol, Angola.

Additional works were also awarded by Dangote, Nigeria as part of its 20 MMTA refinery for which your Company is providing EPCM/ PMC Services.

Your Company bagged a contract for additional services from Turkish Petroleum Corporation (TPAO) with whom EIL was working for advance FEED for their offshore pipelines and Platform project.

This year saw a number of critical projects commissioned and good progress achieved on other ongoing projects. In the Refinery Segment, CDU-4 project of BPCL Mumbai Refinery which was executed by your Company in EPCM Mode has been completed and successfully commissioned this year. The IREP project of BPCL's Kochi Refinery to increase refining capacity from the current 9.5 MMTA to 15.5 MMTA is in the advanced stages of construction and is close to completion, EPCM services for conversion of CRU to ISOM and revamp of NHDS to NHT at BPCL Mumbai Refinery is progressing well and PMC services for implementation of Captive Power Plant of IOCL's 15 MMTA Paradip Refinery Project has been completed.

In Petrochemical Sector, Assam Gas Cracker Project, a grass-root petrochemical project of Brahmaputra Cracker and Polymer Limited, executed by EIL on EPCM mode, was commissioned this year. The availability of petrochemicals from the project will boost the development of plastic industry in the North-Eastern region of the country. Dahej Petrochemical Complex of ONGC Petro additions Limited (OPAL), being executed on PMC mode, is in advanced stage of completion and Captive Power Plant and utilities have been commissioned. Propylene Derivative Petrochemical Plant of BPCL Kochi Refinery among other petrochemical projects are progressing well.

As part of strategic investment in the Fertilizer sector, EIL has taken equity participation in Revival of Ramagundam Fertilizer Project along with National Fertilizers Limited and Fertilizer Corporation of India Limited. A joint venture company (M/s Ramagundam Fertilizers and Chemicals Limited) has been formed to pilot this project. EIL is also executing this project on EPCM Mode, with significant progress achieved this year on front end activities. During this fiscal your Company also successfully completed fertilizer projects in Nigeria, Bangladesh and Indonesia.

In Infrastructure Segment, significant progress was achieved in Head Quarters Building of UIDAI in Delhi, Inland Container Depot for Container Corporation of India Limited where your Company is providing PMC Services among other ongoing infrastructure jobs.

Under Phase-I of the GOI's Strategic Storage programme, your Company is providing PMC services to Indian Strategic Petroleum Reserves Limited (ISPRL) for construction of underground unlined rock cavern storages in Vishakhapatnam, Mangalore and Padur having a total capacity of 5.33 MMT. During the year, significant progress has been achieved and the Vishakhapatnam storage has been commissioned. Pre-commissioning activities are underway at Mangalore and Padur.

In the metallurgy segment, your Company successfully completed appointment of Mine Developer-cum-Operator for Kapurdi and Jalipa Mines of Barmer Lignite Mining Company Limited in Rajasthan, Feasibility Study for revamping of Rectifier Station-I for Hirakud Smelter of HIL among various other ongoing projects.

Your Company's overseas operations have been augmented with an Engineering Hub in Abu Dhabi to cater to the business in the MENA region. Significant overseas jobs completed during the year include

Detailed Engineering & Procurement services for Slops & Drains Upgrade at Umm Sharif Super Complex (USSC) of Abu Dhabi Marine Operating Company (ADMA-OPCO), Study for Up-gradation of Anti Surge Valves for Propane Compressor of Train 1 & 2 for ADGAS, Shahjalal Fertilizer Project of Bangladesh having a capacity of 1000 MTPD Ammonia Plant and 1760 MTPD Melt Area and Urea Granulation Plant among others.

To meet the rising expectations of clients and stay ahead in the technological curve, your Company has invested significantly in research and development with the consolidation of existing capabilities, development of new technologies and hardware besides enhancement of the portfolio for special technology related services. R&D Division is pursuing developmental activities, both in-house and in collaboration with academic institutes like IIT Delhi and other R&D organizations like IOCL-R&D, CSIR-IIP, BPCL (R&D) etc. Apart from these established R&D organizations EIL (R&D) has also been collaborating and cooperating with small companies to promote the creative ideas generated by them. During the year, your Company's R&D Efforts were recognized by grant of patent for Novel Distributor Tray for Trickle Bed Reactor Trademarks. In addition 5 Patents have been filed during the year. With this your Company's patent portfolio has grown to 17 live patents and 18 pending patent applications for various process technologies. Trademarks for 9 in-house technologies have been applied for registration to bolster your Company's brand equity.

Information Technology Services (ITS) division of your Company continued to provide state-of-the-art IT enabled services to your Company's main stream activities by developing / implementing leading IT solutions with an aim to deliver better quality services with increased efficiency at reduced costs. Key projects developed by the ITS Department include - as a part of statutory requirement of the Government of India, the eTDS system at EIL which was modified in line with the changed formats and validations released by NSDL. Also, modifications were made in vendor TDS return filing program in compliance with the latest file validation utility of NSDL, a single window facility was developed for NEFT transfer of employee salary. To achieve operational improvement various project execution related dashboards have been integrated to have all the data well-structured and well connected at one place.

Your Company over the years has also executed projects in diversified fields of water & waste water treatment; effluent recycle and zero discharge projects; Environmental Impact Assessment studies; environmental audits; air quality assessment, solid & hazardous waste management, fugitive emissions control, environmental health & risk management etc.

Your Company takes pride in its highly motivated and spirited work-force with professional expertise and strong technical calibre - the propellers of your Company's growth engine. Engagement and Empowerment of executives is therefore critical, for improving the project performance in terms of time and cost efficiencies.

Working in the knowledge and services sector, your Company recognizes and values the importance of nurturing its human capital. This year focused on strengthening HR's role as a Strategic Business Partner with the formulation of a HR strategy 2015-2020 aligned to your Company's Business Strategy. Internal organizational restructuring efforts have been made to reduce interfaces, enhance productivity and improve efficiency in company's business operations. The Strategy has been drawn up for proactively facilitating the achievement of organizational plans, targets and challenges through timely identification, preparation and deployment of appropriate human resources. To create robust systems of performance assessment in line with Industry best practices, the performance appraisal process and promotion policy for officers was modified and implemented to drive higher employee engagement. The core competencies of the Company were further strengthened by designing and organizing Domain Specific/Specialized Training

Programmes, whereas the managerial and behavioral capabilities were strengthened through adequate focus on soft skills programmes.

The CSR Policy of your Company is aligned with the national focus on inclusive growth, DPE Guidelines on CSR and the Companies Act 2013. The thrust areas for your Company's CSR activities/projects were in education, healthcare, drinking water/sanitation, rural electrification, environment protection/sustainability, women empowerment, upliftment of underprivileged, community development, vocational training/skill centre. In line with the Hon'ble Prime Minister's vision to provide safe and clean toilets to a large segment of the Indian population especially women, your Company met its target for the construction of 509 toilets in the states of Bihar, Odisha, Tamil Nadu and Assam this year.

As part of the Hon'ble Prime Minister's Make in India initiative, EIL is piloting the midstream sectors for Make in India initiative under MoP&NG and is a member of the Steering Committee set up for the purpose. To this effect, regular vendor meets are being organized by EIL for interaction with the specific domain based industries and online vendor empanelment processes. Apart from regular vendor meets, two dedicated workshops were also organized by your Company with select domestic and overseas stakeholders in Mumbai and Delhi for sensitizing the manufacturing sector to various policy initiatives being contemplated by GOI and by the Oil & Gas sector.

Ever since its inception, your Company has accorded highest priority to Health, Safety & Environment (HSE) in all aspects of its operations. During the year, your Company's Health, Safety and Environmental (HSE) Management system was certified by an accredited Certification Body to OHSAS 18001 (Occupational Health and Safety Assessment Series) and ISO 14001 (Environmental Management system). The same was revalidated by third party certification bodies through a surveillance audit conducted during the year. These certifications will enhance your Company's evaluations scores while bidding for overseas jobs particularly in the Middle East Oil & Gas market.

During the year, the Quality Management System of your Company was reassessed through external Surveillance Audit for continual conformance to ISO 9001:2008 by the third party certification agency which confirmed that the Quality Management System of your Company continues to conform to the international standard ISO 9001.

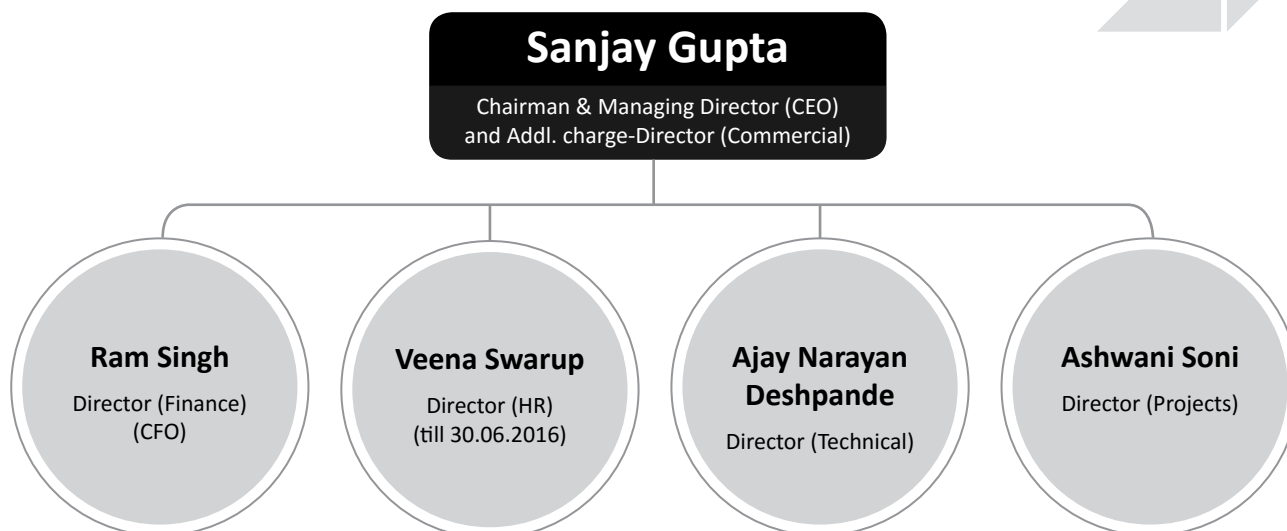
This year also saw the Company being bestowed with number of prestigious awards, prominent being National Awards for Excellence in CSR & Sustainability by "World Federation of CSR Professionals" and "World CSR Day", 8<sup>th</sup> CIDC Vishakarma Award for Best Construction Projects to CDU-4 Project, BPCL Refinery, Mumbai, Scope Excellence Award for Outstanding Woman Manager and Legend PSU of the Year Award for R&D in Petrochemicals. While our efforts are self-less and authentic in spirit, these recognitions from external Boards of eminent judges confirms that our progress is in the right direction.

Your Company remains committed to good Corporate Governance and ethical practices as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with stock exchanges and Government Guidelines.

I thank you for your continued support and faith in the Company's growth potential and look forward to your feedback and advice. EIL management joins me in wishing you and your family lot of prosperity and good health.

**Sanjay Gupta**

# Board of Directors



## Non-Executive Directors

<b>Sandeep Poundrik</b> Director (Govt. Nominee) (w.e.f. 14.07.2015)	<b>Dr. Archana S. Mathur</b> Director (Govt. Nominee) (till 27.10.2015)	
<b>Sushma Taishete</b> Director (Govt. Nominee) (w.e.f. 2.01.2016)	<b>Dr. (Prof.) Mukesh Khare</b> Non-official Independent Director (w.e.f. 20.11.2015)	<b>Arusha Vasudev</b> Non-official Independent Director (w.e.f. 15.12.2015)
<b>Vikas Khushalrao Deshpande</b> Non-official Independent Director (w.e.f. 20.11.2015)	<b>Umesh Chandra Pandey</b> Non-official Independent Director (w.e.f. 20.11.2015)	

**Company Secretary**

**Rajan Kapur**

# Brief Profiles of the Directors

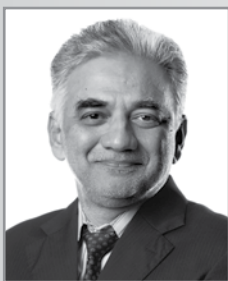


**Shri Sanjay Gupta** is the Chairman and Managing Director of our Company. He is also holding the additional charge of the post of Director (Commercial). He is a B.E. from IIT, Roorkee and has about 35 years of experience in implementation of mega grassroots and brown field projects in Refineries and Petrochemicals. He was also entrusted with the task of leading the implementation of the first ever OBE Project and pioneered the same in the Hydrocarbon sector in India. Several projects on this mode have been implemented by the Company, thereafter. He has hitherto also been additionally responsible for all the commercial functions of the Company including Estimation, Contracting, Inspection and Business Development. He has been engaged in consolidation, internationalization and strategy building for the Company. The improvement of Governance function of the Company while providing emphasis on project delivery to the owners is the cardinal principle around which all the efforts are being expanded.



**Shri Ram Singh** is the Director (Finance) of our Company. He has been on the Board since January 28, 2010. He has a Bachelor's Degree in Commerce from Delhi University and is an associate member of the Institute of Cost Accountants of India. He has 35 years of experience in finance and cost accounting in the steel and hydrocarbon sector. His experience includes positions held with the Steel Authority of India Limited, Bharat Petroleum Corporation Limited, Oil Co-ordination Committee and Petroleum Planning and Analysis Cell of the Ministry of Petroleum and Natural Gas. He is currently responsible for the financial management of our Company. Shri Singh was associated with the preparation of report on the Scope for Improvement of Asian Markets for Crude Oil & Products in association with Institute of Energy Economics, Japan (2006).

He has also delivered guest lectures and actively participated in various International Energy Forums which include Working Group on Energy Security at Asia Cooperation Dialogue held in Phillipines (2004); ASEAN Oil Market Forum at Bangkok held jointly by Ministry of Energy, Thailand and Ministry of Trade & Industry, Japan. (2007); Energy Security in Asia at International Association for Energy Economics at New Zealand (2007) and Energy Information Administration (EIA), US Department of Energy. Shri Ram Singh has been conferred with the Citation on "100 Most Influential CFOs of India" by Chartered Institute of Management Accountants (CIMA), 2015; Top Rankers Excellence Award for Finance; Business Today Best CFO of a PSU (Mid size) Award-2013; India CFO Award for Excellence in Risk Management by IMA India and Excellence in Cost Management Practices by Institute of Cost Accountants of India during 2011 and 2012.



**Shri Ajay Narayan Deshpande** is the Director (Technical) of our Company. He has a Bachelor's Degree in Chemical Engineering and a Master's Degree in Systems & Management securing top honours. He has worked in various capacities of the Company over the past 36 years, including oil and gas, refinery and petrochemicals sector, covering the functions of process design/development, research and development, plant operations and safety, heat & mass transfer, environmental engineering, specialist materials and information technology in the Technology Division. He also has exposure to Projects Management having worked in execution of Projects. As ED (Technical), he was responsible for the company's business growth through technology initiatives of the Company and was also responsible for meeting the MOU targets on R&D and sustainable development. He has co-authored twelve patent applications on behalf of the Company. He has served as part time Director for two years on the Board of CEIL, an EIL subsidiary for certification services and is presently part time Director on Board of a JV Company of EIL with NFL for Ramagundam Fertilizer Project. As full time Director (Technical) of EIL, he is responsible for all Technology and Engineering Divisions within the Company.