

35th
 वार्षिक रिपोर्ट
 ANNUAL REPORT
 1999-2000



इंजीनियर्स इंडिया लिमिटेड
Engineers India Limited

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Cover shows locations of major projects undertaken by EIL.

Our Vision

To become a globally Competitive EPC & Consultancy Organisation.

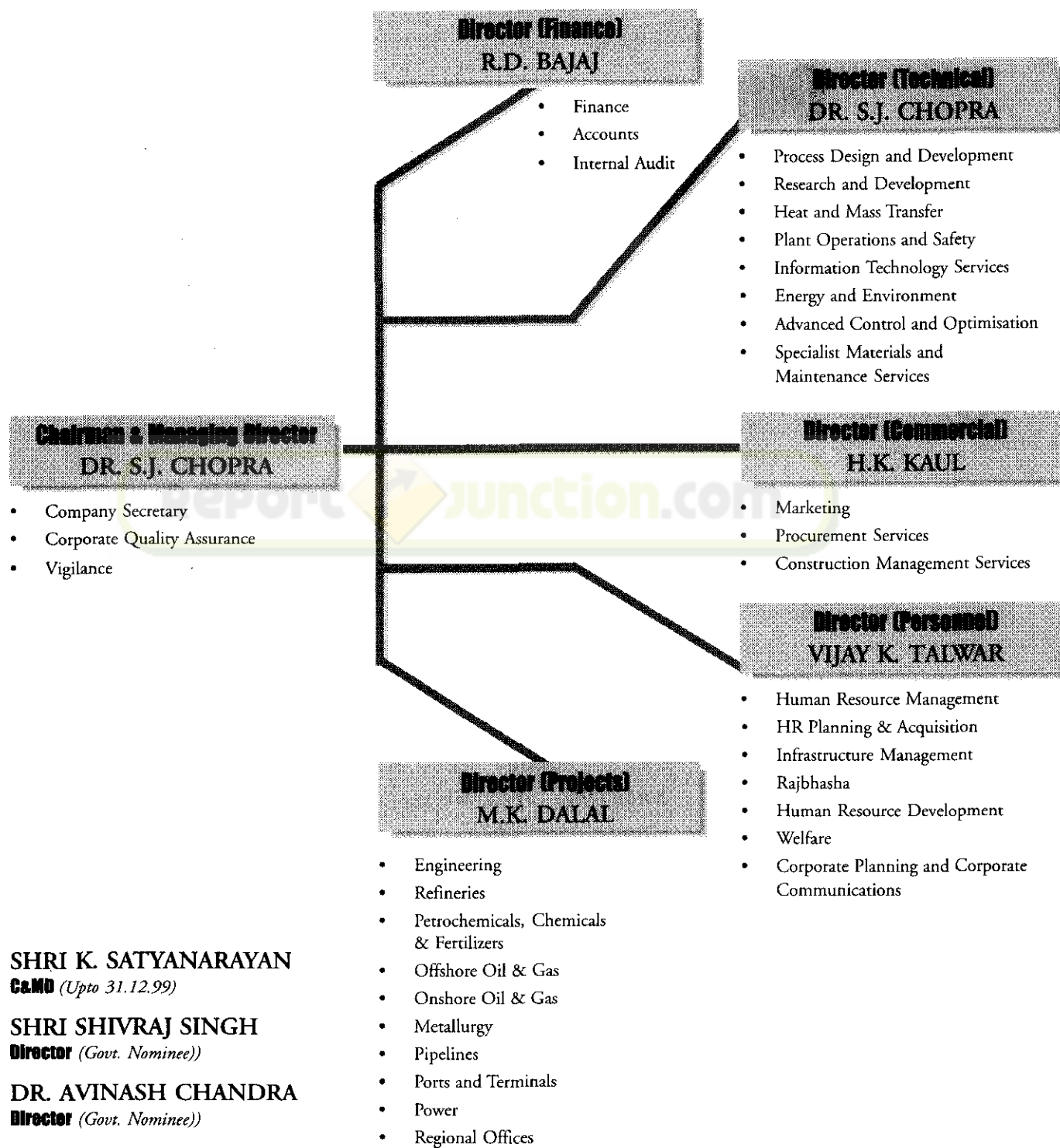
The Mission

1. To achieve international standards of excellence with a focus on customer satisfaction.
2. To provide high quality, safe & energy-efficient services in Process Design, Engineering, Procurement, Construction with overall Project Management in Hydrocarbon, Metallurgy, Power and Ports & Terminals as well as Information Technology and other selected sectors of Industry.
3. To achieve prominence in developing, adopting and assimilating state-of-the-art technology for competitive advantage.
4. To maximise creation of wealth, value and satisfaction for stakeholders.
5. To foster a culture of participation and innovation for employees' growth and contribution through a climate of fairness and transparency in operation.
6. To acquire and provide technology and services through sustained Research & Development and promote linkages among Engineering Organisations, Equipment Manufacturers. Operating Companies and R&D Organisations to upgrade technologies on a continuous basis.
7. To cultivate high standards of ethics and quality for a strong corporate identity and brand equity.
8. To help enrich the quality of life of the community and preserve ecological balance and heritage through services provided with a strong environmental conscience.

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 effort*.
- Sense of *ownership* in what we do.

Organisational Structure



SHRI K. SATYANARAYAN
C&MD (Upto 31.12.99)

SHRI SHIVRAJ SINGH
Director (Govt. Nominee))

DR. AVINASH CHANDRA
Director (Govt. Nominee))

SHRI S. RAMANA MOORTHY
Company Secretary

Company History

Major Milestones

1965

Foundation of Engineers India Limited.

1967

EIL became a wholly owned Government Company.

1969

Diversification into Petrochemicals.

1970

Creation of Heat & Mass Transfer Design and Computer Services Departments.

1971-1973

Ocean Engineering Department formed. First Metallurgical Project. Procurement office opened in London, Entry into Fertilizers and Pipeline projects.

1974

First Overseas assignment, Inhouse process design/engineering, technology development.

1975

Installed a third generation computer system.

1976

ICMA Award for Process Design and Process Engineering of Chemical Plants, Training Division formed.

1977

First Oil & Gas processing project.

1975-1980

Development of skills in the areas of Process Plant services e.g. Operations, Safety, Materials, Environmental Engineering.

1981

Use of computers at construction sites, Procurement office opened in Tokyo.

1983

Own office complex - EIL Bhawan occupied, Independent Certification Division formed.

1989

Own R&D Centre at Gurgaon.

1992

Engineering Office opened in Qatar, Joint-Venture with AMEC, UK.

1993

Regional Offices opened in Chennai & Vadodara.

1994

Creation of subsidiary - EIL Asia Pacific Sdn. Bhd, ISO 9001 Certification, Peak export earnings, Six Percent Disinvestment.

1995

Formation of Subsidiary-Certification Engineers International Ltd., National Export Promotion, Quality and ICMA Awards.

1997

Four per cent equity for employees.

1998

Diversification into LNG and Refinery Residue based Power Plants, CSIR Technology Award.

Record Turnover

Company's Turnover up by 57% to Rs. 6156.7 million.

Reserves Growth

Reserves excluding revaluation reserves as on 31 March, 2000 grew to Rs. 5745.9 million from Rs. 5291.8 million on 31st March, 1999.

Higher Net Profit

Net profit grew to Rs. 1262 million from Rs. 1181 million in the previous year inspite of much higher staff cost due to pay revision of officers w.e.f. 1.1.97.

1999-2000 Highlights

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MOU Award

EIL was conferred the Prime Minister's MOU Award for 1998-99. The Company exceeded most of the targets e.g. value of services rendered, gross margin, net profit to capital employed etc.

NPMP Award for EIL

The National Petroleum Management Programme awarded Certificate of Recognition to EIL team of R&D Engineers for designing and developing a modified sight door for combustion chambers.

More Refinery Projects

EIL has secured a number of Refinery Projects during the year. The important jobs secured include PMC services for IndianOil's Eastern India Refinery Project, Barauni Refinery and Panipat Refinery Expansion Projects, Hydrotreater Projects at Digboi and Guwahati Refineries and Solvent Dewaxing/Deoiling Projects at Digboi.

The Company has also secured Propylene separation and an additional sulphur recovery unit at Panipat Refinery.

Turnkey Contracting

EIL is all set to foray into Lumpsum Turnkey contracting having secured the offsite modernisation in Mathura Refinery of IOC and Pipeline & Platform Modification (PPM) and Clamp-on Related Modifications and Pipeline-II (CRMP-II) Projects of ONGC during the year.

Other Business

Other major assignments secured by EIL include expansion of HPCL's Vizag-Vijaywada pipeline capacity and its extension upto Secunderabad, NTPC-Jhanore Pipeline project of GAIL, engineering services for Dabhol-Kirat-Talasavi LNG pipeline of Metgas/Enron and Jetty/Docklines and Terminal at JNPT.

Overseas Business

The assignments secured abroad during the year include Waste Water Treatment facilities for three KNPC refineries in Kuwait, Improvement of Refinery heaters, reformers incinerators and boilers for KNPC, engineering services to NPCC for Maqta-Taweelah-Jebel Ali gas pipeline in Abu Dhabi, Technical Services to NPCC, Abu Dhabi and an EIA Study for Sohar Refinery Project of Oman Refinery.

Safety Performance

EIL maintained its excellent safety record at all its construction sites.

Safety awards for outstanding achievements were also received at Essar Refinery, Haldia Petrochemicals, BPCL Refinery and MRPL Refinery sites. An excellent nine million accident free man hour record for the entire duration of DHDS Project was achieved at BPCL Mumbai Refinery.

Numaligarh Refineries Ltd. awarded EIL a Certificate of Recognition on achieving four million accident free manhours without lost time accident during April-October, 1999.

Quality System

EIL's Quality Systems have been audited and continue to be in accordance with the requirements of ISO-9001.

Ten years'

performance at a glance

	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000
	(Rupees in Thousand)									
A. OPERATING STATISTICS										
Turnover*	759939	1045222	1574138	2239573	2349127	2599806	2688328	3112046	3917336	6156705
Other Income	59412	125880	166277	197858	238268	314780	337460	413916	699709	776478
Expenditure	636007	829315	1205229	1436203	1546826	1836412	1909654	2383537	2739263	5001121
Profit Before Tax	183344	341787	535186	1001228	1040569	1078174	1116134	1142425	1877782	1932062
Tax	90000	82629	241697	398119	441754	395165	419641	410000	697192	670047
Profit After Tax	93344	259158	293489	603109	598815	683009	720457	732425	1180590	1262015
Dividend & Tax on Dividend@@	2500	10000	20000	20000	36000	45000	59400	82356	311657	433680
Retained Surplus**	90844	249158	273489	583109	562815	638009	661057	650069	868933	828335
B. FINANCIAL POSITION										
Capital Employed***	929451	1173271	1435931	2016377	2566855	3199864	3870857	4609977	5479022	6307456
i) Fixed Assets	382739	372576	403708	442996	485144	469262	482519	467319	476786	522241
ii) Net Current Assets	545946	800029	1031560	1118363	1425544	2330435	2952988	2401680	2912074	3692910
Shareholders Funds	894451	1145771	1415931	1999040	2561855	3199864	3870857*	4609977	5479022	6307456
i) Share Capital	10000	10000	20000	20000	180000	180000	180000	187173	187181	561562
ii) Reserves & Surplus @	884451	1135771	1395931	1979040	2381855	3019864	3680921	4422804	5291841	5745894
Loans	35000	27500	20000	17337	5000	-	-	-	-	-
C. RATIOS										
PBT/Turnover	24.13%	32.70%	34.00%	44.71%	44.30%	41.47%	41.52%	36.71%	47.93%	31.38%
PBT/Capital Employed	19.73%	29.13%	37.27%	49.65%	40.54%	33.69%	28.83%	24.78%	34.27%	30.63%
PAT/Net Worth	10.44%	22.62%	20.73%	30.17%	23.37%	21.34%	18.66%	15.89%	21.55%	20.01%
Turnover/Net Worth (No of Times)	0.85	0.91	1.11	1.12	0.92	0.81	0.70	0.68	0.71	0.98
Sundry Debts/Turnover (Month's Turnover)	6.78	7.11	5.60	5.11	5.97	7.28	6.26	4.23	3.76	3.13
Turnover to Total Assets (No. of Times)	0.42	0.44	0.47	0.57	0.44	0.43	0.41	0.37	0.35	0.40

NOTES :

* Turnover includes accretion/decretion to Work-in-Progress.

** Figure of Retained Surplus includes amount Written Back pertaining to Provision for Taxation.

*** Includes Investments.

Fixed Assets include capital Work-in-Progress.

@Includes Capital Grant of Rs. 2 crores received in 1984-85 for R&D Centre.

@@From 1996-97 onwards figure includes dividend & additional tax on dividend.

- Profit after Tax for 1996-97 includes Surplus from Petroleum India International relating to previous period (upto 31.3.95) amounting to Rs. 239.64 lakhs.
- Shareholders funds includes Share Application money of Rs. 99.36 lakhs received in 1996-97 made up of Rs. 7.20 lakhs towards share capital and Rs. 92.16 lakhs towards share premium.

Notice

35th Annual General Meeting

Notice is hereby given that the 35th Annual General Meeting of the Members of M/s. Engineers India Limited will be held on Tuesday, the 26th September, 2000 at 3.00 P.M. at FICCI Golden Jubilee Auditorium, 1 Tansen Marg, Near Mandi House, New Delhi-110 001.

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Profit and Loss Account of the Company for the period from 1st April, 1999 to 31st March, 2000 and the Audited Balance Sheet as at 31st March, 2000 together with the Directors' Report and Auditors' Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri Vijay K. Talwar who retires by rotation and being eligible, seeks re-appointment.
4. To appoint a Director in place of Shri H.K. Kaul who retires by rotation and being eligible, seeks re-appointment.

By Order of the Board

S. Ramana Moorthy
Company Secretary

Date : 21.8.2000
Place : New Delhi

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint another person as his proxy and the proxy need not be a member of the company. Proxies, in order to be effective, must be lodged at the registered office of the company not later than 48 hours before the time of holding the meeting.
2. Members/proxies should bring their attendance slip, duly filled in, to the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 16th September, 2000 to 26th September, 2000 (both days inclusive).
4. For matters relating to Equity Shares of the Company and registering Change of Address, Members are requested to contact Registrar and Share Transfer Agent of the Company M/s. SRG Infotec Ltd., Devraha House, A-256, Okhla Industrial Area, Phase-I, New Delhi-110 020. Tel.: 6812434/2364/2365/1978/1979.