



A Navratna Company

Rising Beyond Expectations Shining Beyond Boundaries

49TH ANNUAL REPORT 2013-14



VISION

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

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.



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.

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.

FORWARD

As Engineers India celebrates the Golden Jubilee Year, nostalgia takes us back to the momentous journey of spectacular growth. We are proud to have covered this distance and in the process emerge as the leading 'Total Solutions' engineering consultancy and EPC company in this part of the world.

The initial years were a challenge, as the confidence reposed in a new Indian entity was very low and on the other hand the Company had to compete with competitors from across the globe who were many times bigger and possessed diversified technology portfolio. The strong determination of the management group of that time and the support from the Government laid the foundation for the Company to blossom into a full-fledged engineering organization. Having started this journey with almost no on-ground infrastructural facilities and work sites completely marooned from their daily lives, the early founding members of EIL set-out on arduous assignments, undeterred by the physically demanding conditions and challenging circumstances. That was the time when national interest in refineries was increasing and EIL quickly positioned itself as the only company equipped in place to carry out detailed engineering based on foreign technology. The early steps taken by its indomitable workers reinforced the mandate of the Company: ***a strong, energy sufficient India built for and by Indians.***

During the course of this journey, EIL has played a significant role in the growth story of hydrocarbon, petrochemical and non-ferrous metallurgy sectors in India. It has its footprints in 19 of the 22 operating refineries in the country with combined refining capacity of more than 150 MMTPA and also involved in the establishment of 7 of the 8 mega petrochemical complexes in India. Partnering with ONGC, EIL was instrumental in developing the required E&P infrastructure for Bombay High and played a major role in developing Aluminium sector in the country by providing its services for all the major plants in the country. In the process, EIL has also been instrumental in indigenisation of more than 90 % in terms of technology and around 80% of indigenisation in the supply of process machinery/equipments.

This Golden Jubilee Year has also been pivotal for the Company with the successful execution of a Further Public Offer (FPO) in FY 2013-14 and also being accorded the **Navratna Status** by the Government of India. Both are a reflection of the Nation's trust in our capabilities and our promise of outstanding growth in tandem with the growth of India's energy sector.

As EIL moves ahead, it aims to become a world class organisation through forays into new high potential sectors and geographies, enhanced operational strength in current overseas locations, technology focus, strategic partnerships and effective leadership.

Engineers India Limited

A Total Solutions Consultancy Company providing services from Concept to Commissioning.

AT A GLANCE



- One of India's leading Engineering Consultancy and EPC companies in Hydrocarbons and Petrochemicals.
- Nearly five decades of experience on landmark projects with global energy majors.
- Significant track record across entire oil & gas value chain including 10 green-field refineries, 39 oil & gas processing plants, 40 offshore process platforms, 42 pipelines and 7 petrochemical complexes.
- Focused diversification into other sectors:
 - ✦ Fertilizer and LNG
 - ✦ Non-ferrous metallurgy
 - ✦ Infrastructure
 - ✦ Strategic crude oil storage
 - ✦ Nuclear and solar energy
 - ✦ E&P
- Over 2968 highly experienced professionals and technical workforce.
- In-house and collaborative R&D support with 16 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



A.K. PURWAHA
Chairman & Managing Director

*D*ear Shareholders,

It gives me immense pleasure to report your company's performance for the 49th year of its service to the nation.

As EIL steps into its Golden Jubilee year, 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.

The celebration of the Golden Jubilee year has been crowned by the momentous achievement of your company being conferred with the prestigious "Navratna" status by the Government of India. The upgraded status will provide your company with enhanced operational and financial autonomy to work in domestic and overseas markets.

This year your company successfully carried out a Further Public Offer (FPO) as part of the Government of India's decision to divest 10% of its stake in EIL. The FPO was oversubscribed by 2.83 times with overwhelming retail participation. Further, shares representing 1.03% of equity share capital of the Company from GoI shareholding were transferred to CPSE ETF.

During the financial year 2013-14, your company has registered a turnover of ₹1824 Crores. The revenue from consultancy & engineering business stood at ₹1109 Crores. Profit After Tax during the year was ₹480 Crores.

On the business front, your company secured new business of ₹1155 Crores in FY2013-14 which includes ₹1085 Crores from domestic consultancy and turnkey business and ₹70 Crores from overseas business. Major contribution in our order inflows continues to remain from Hydrocarbon and Petrochemical business.

The major consulting orders secured in the Refining sector include Coke Chamber Replacement and Allied Modernization in Coker at Barauni Refinery of IOCL, Licensor Selection & initial project activities for Rajasthan Refinery and Detailed Feasibility Report (DFR) for Numaligarh Refinery Expansion Project and for Gujarat Refinery Expansion Project of IOCL.

In the Oil & Gas segments, EIL was awarded Consultancy Services for Revamping of Unmanned Platform Phase-II for ONGC, Mumbai and engineering assignments from Cairn Energy including "Front End Engineering Design for Sulphate Removal" of Thumbli Saline Aquifer Water Project. EIL's efforts to further grow into LNG sector resulted in award of PMC services for Dahej Expansion Phase-IIIA for Petronet LNG Limited. The Company has also bagged PMC Services for Kochi-Coimbatore-Erode-Salem LPG Pipeline Project and Irugur-Devangonthi Pipeline Project from BPCL, Kochi.

In the Infrastructure field, EIL has been awarded Projects from Gujarat Housing Board for Project Management Services for their Housing Projects. In LSTK domain, EIL has been successful in securing the job for executing Coker Block of Resid Upgradation Project for CPCL, Chennai against stiff competition.

During the fiscal, your company's intense focus on augmenting its international business has met with considerable success. Your company has been successful in expanding its footprints in new territories of Indonesia, Turkey, Angola and Nigeria. Upcoming business opportunities for large scale projects are also envisaged in Algeria, Oman and Bahrain. In UAE, EIL was successful in signing long term General Engineering Services Agreement with the state owned company M/s GASCO. General Engineering Services Agreements with Equate of Kuwait and BAPCO of Bahrain were also extended for duration of 2 years during this fiscal. M/s Dangote has appointed your company as Project Management Consultant for their 20 MMTPA Refinery and 600,000 TPA Polypropylene plant in Nigeria. A contract of \$139 Million to this effect which was initiated during the fiscal 2013-14 was concluded in the current financial year 2014-15. This is the single largest consultancy order received by your company. While consolidating its footprints in these geographies, your company also looks forward to expanding its operations in other regions of African subcontinent, South East Asia and Latin America.

Your company's MOU performance was rated in "Very Good" category for the FY 2012-13.

During the last decade India has emerged as one of the key growth drivers of world economy. With growth dynamic shifting towards developing economies the share of our economy in primary energy consumption has also increased considerably over the years. With the consumer, investor and industry friendly policies expected from the new Government in all the sectors of economy, I am confident that the opportunities for EIL in strengthening its business portfolio in core hydrocarbon sector and expanding its services to other high growth sectors of economy will increase further.

During this fiscal your company progressed work on projects of strategic importance to India's energy sector. In the upstream segment your company is executing Offshore Platform projects for Gujarat State Petroleum Corporation (GSPC), Western Onshore Redevelopment Project for Mehsana, Ankleshwar and Ahmedabad Assets of ONGC among other jobs.

In the midstream segment your company is carrying out work on the Kochi-Coimbatore-Erode-Salem LPG Pipeline and Irugur-Devangonthi Pipeline Project for BPCL, Mallavaram-Bhopal-Bhilwara-Vijaipur Pipeline Project (MBBVPL) for GSPL India Transco Limited (GITL) and Dabhol-Bangalore gas pipeline project for GAIL (India) Ltd, among many other jobs.

In the downstream segment, key among them are 6 MMTPA Integrated Refinery Expansion Project (IREP) at Kochi of Bharat Petroleum Corporation Ltd (BPCL), Refinery expansion & up-gradation project for Mangalore Refinery and Petrochemicals Ltd (MRPL), 6 MMTPA capacity CDU-4 Project at Mumbai Refinery for BPCL.

Your company has also played a pivotal role in the petrochemical and metallurgy segment with ongoing execution of major jobs such as the Dahej Petrochemical Complex for ONGC Petro-additions Ltd (OPaL), Assam Gas Cracker Complex at Lepetkata for BCPL, Second phase expansion of Bauxite Mines, Alumina Refinery for NALCO, Bhubaneswar and the Mahan Aluminum Smelter project, Madhya Pradesh for HINDALCO among other jobs.

In fulfilling its mandate to upgrade the energy infrastructure, your company is executing various jobs such as the Dahej LNG Expansion (Phase IIIA) for Petronet LNG, development of Strategic Crude Oil Facilities in Rock Caverns for the Indian Strategic Petroleum Reserves Limited at Mangalore, Vishakhapatnam and Padur, development of port facilities for Ratnagiri Gas and Power Pvt Ltd among other jobs. Your company is also entering into an SPV with other Oil majors for setting up solar power projects in India.

The infrastructure business of your company has demonstrated steady progress with successfully executing work of Sardar Sarovar Narmada Nigam Limited (SSNNL), Tertiary Treatment Reverse Osmosis Plant at Chennai for CMWSSB, Interceptor Sewer Project for the abatement of pollution in River Yamuna for Delhi Jal Board (DJB) and Data Centre in Delhi and Bengaluru for Unique Identification Authority of India (UIDAI). Your company has also developed its new Office Complex in Gurgaon which will be an energy efficient Green Building with a GRIHA 4 Star Certification. With a total built up area of 5.38 lac sq.ft, this office complex is being designed as a Zero discharge site by promoting 100% rainwater recharge. Construction of new Office building at Navi Mumbai and Chennai is in progress.

The complex areas of EIL operation call upon a very high level of professional expertise and comprehension which has been carried out in EIL many times over with repeated perfection and a very high level of accuracy. The knowledge and professional expertise required to execute the intricate processes lies deeply embedded in your company's DNA with its exclusive class of engineers who have been instrumental in the growth of the company for last five decades.

Empowerment of executives is critical for improving the project performance on time and cost matrix. Executives have been further empowered to take decisions related to projects and its effective implementation which will have direct impact on schedule and profitability of the project.

In today's highly competitive business environment, continuous and ongoing innovation is the corner-stone of success for any organization. Your company has evolved to constantly upgrade its business processes and technology basket to meet market expectations. Your company's Research & Development Centre (R&D) in Gurgaon has been successful in the commercialization and application of various process technologies during the fiscal including development of high level oxygen enrichment process to enhance SRU capacity by 200%, development of generic mathematical model of fluidized bed gasifier, and development of high capacity trays for enhancing capacity of existing column and aiming at reduced down time incorporating innovative construction features among other innovations.

During the year the efforts of R&D were recognized by grant of three patents;

- Device for measurement of flow rate of overflash liquid in Crude Distillation Column
- An absorbent composition, a process for the preparation thereof and a process for removal of Hydrogen Sulphide impurities from gaseous feedstock and
- Fluid interface level measurement device

With this your company's patent portfolio has grown to 16 'live' patents and 13 pending patent applications relating to various process technologies.

Your company visualizes the complete project value chain and continuously identifies, develops and adopts the solutions that add value to the systems and processes. Your company over the years has been able to maintain its technological edge by continuous updation of its systems and processes and align them with global standards and best practices.

Continuous updation of IT systems to develop a state-of-the art networking infrastructure to enable real time data-sharing, Integrated On-line system for Structural Design and Engg. Activities, Environment Services System, Intelligent Design Basis for standardization of designs, Inclusion of supplier / contractor documentation in the eDMS system and pre-commissioning management system are some of the initiatives undertaken during the year to facilitate improved performance across the project value chain.

Today, no development process can afford to neglect the environmental consequences of economic activity, or allow unsustainable depletion and deterioration of natural resources. At a time of rapid urbanization, population growth and challenges due to possible climate change, your company has endeavored to adapt and rethink the energy efficiency, safety, resource conservation, bio-diversity preservation and waste control measures for its existing as well as upcoming future projects. To achieve this, your company gives particular attention to management of water resources, efficient use of materials, energy and environmental management during the project implementation phase.

Your company has modeled its business strategy to look beyond performances on financial matrices and focus on other tangibles like value addition in terms of improved efficiency, Environmental Protection, Community Development, Corporate Social Responsibility etc.

Your company takes its Corporate Social Responsibility (CSR) very seriously. We firmly believe that CSR is not just obeying the law or act of philanthropy. It is much beyond that. It implies serious business where organizations have to be seen as partners in their communities and not just as profit centers. A number of CSR initiatives have been undertaken by your company in the areas of woman empowerment, health care, upliftment of underprivileged, provision of safe drinking water, community development etc.

For a knowledge-based enterprise such as EIL, recruiting and retaining the most capable and smart talent is one of our key strategic challenges. Your company's endeavor is to maintain a highly motivated workforce. Initiatives were taken through employee engagement survey to understand the talent demands of the changing business environment and expectations/aspirations of the employees. The year gone by has witnessed many positive changes that have reinforced the positioning of the HR function as a strategic partner in business. The focus during the year has also been strengthening of the HR systems by building in greater transparency and authenticity and facilitating in creation of an environment of trust and collaboration through various policies and initiatives. The foundation for this was laid through restructuring of the HR Directorate which has resulted in greater ease of functioning, enhanced customer service and enabling higher responsiveness to our employees.

This year also saw the company being bestowed with number of prestigious awards, prominent being Golden Peacock Award for Sustainability for the year 2013 instituted by Institute of Directors (IOD), Golden Peacock Award for Corporate Social Responsibility for the year 2013, 12th ICSI National Award-2012 for Excellence in Corporate Governance, ICC PSE Excellence Award-2013 for R&D, Technology Development & Innovation, Petrofed Award-2012 for Innovator of the Year Team among many others. 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.

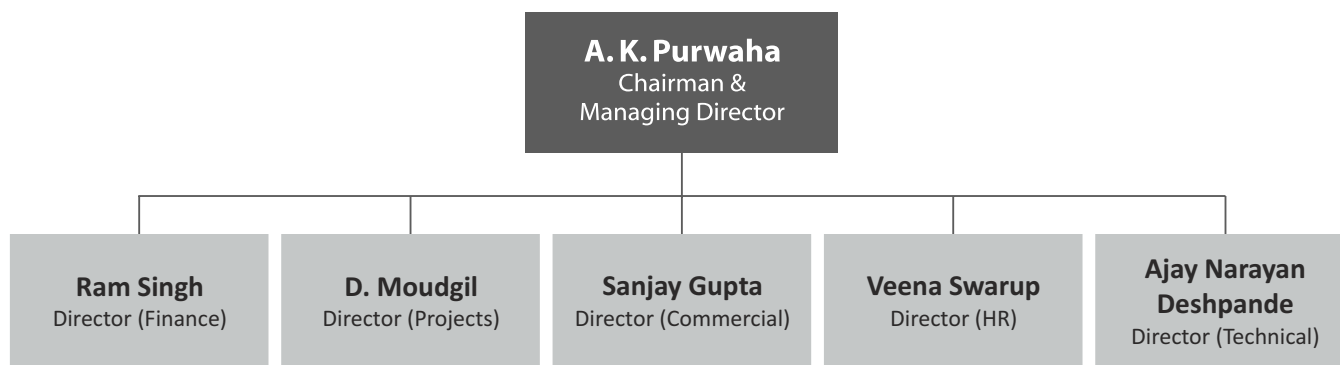
The Company remains committed to good corporate governance and ethical practices as per our listing agreement and Government guidelines.

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 the very best of prosperity and good health.

A.K. Purwaha



Board of Directors



Non-Executive Directors

Dr. Archana S. Mathur Director (Govt. Nominee)	Adit Jain Non-official Independent Director	Bijoy Chatterjee Non-official Independent Director
Dr. R.K. Shevgaonkar Non-official Independent Director	Dr. J.P. Gupta Non-official Independent Director	Dr. V. Vizia Saradhi Non-official Independent Director (w.e.f. 13.11.2013)
D.R. Meena Non-official Independent Director (w.e.f. 13.11.2013)		
R.N. Choubey Director (Govt. Nominee) (from 10.04.2013 to 5.12.2013)	Dr. (Prof.) K.D.P. Nigam Non-official Independent Director (till 8.07.2013)	Dr. Christy Fernandez Non-official Independent Director (from 26.09.2013 to 27.02.2014)

Company Secretary
Rajan Kapur

Brief Profiles of the Directors

Functional Directors



Mr. A.K. Purwaha is the Chairman & Managing Director of our Company since October 1, 2009 and is responsible for the management of the Company. He has a Bachelor's Degree in Electrical Engineering from Delhi College of Engineering, Delhi University. Mr Purwaha has around 38 years of experience in the hydrocarbon sector. He has served Oil & Natural Gas Corporation Limited for more than eight years and GAIL (India) Ltd. for more than 24 years. He has worked on various projects, including cross country pipelines for gas distribution, gas processing and petrochemical plants, operation and maintenance of gas pipeline systems and was on Board of GAIL (India) Ltd. as Director (Business Development) for 3 years. Further he had also led Mahanagar Gas Limited (a joint venture of GAIL (India) Ltd., BG Group, (U.K.) and the Government of Maharashtra), as its Managing Director for five years.



Mr. 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 33 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. He has been associated with various government appointed committees, including Expert Technical Group, Advisory Committee on Synergy in Energy and Committee on Pricing and Taxation of Petroleum Products and the High Powered Committee. Mr. Ram Singh has been conferred with Business Today Best CFO of a PSU (Mid size) Award-2013 and India CFO Award for Excellence in Risk Management by IMA India.



Mr. Deepak Moudgil is the Director (Projects) of our Company. He has a Bachelor's Degree in Civil Engineering from Punjab University. He has been associated with EIL for over 38 years. During his professional carrier with EIL, he has gained extensive experience holding different positions in various departments of EIL, including construction, administration, marketing and projects. He has successfully led EIL's diversification into infrastructure sector.



Mr. Sanjay Gupta is the Director (Commercial) of our Company. He is a B.E. from IIT, Roorkee and has about 33 years of experience in implementation of mega grassroots and brownfield 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 is primarily responsible for all the commercial functions of the company including, Estimation, Contracting, Inspection and Business Development. He has been additionally entrusted with the task of the largest ever overseas assignment of the Grassroots Refinery cum Petrochemical Complex of the Dangote Group in Nigeria. Over and above is responsible in evolving the Strategy Plan and suo-moto studies to initiate projects towards optimization/Energy Improvement in existing facilities in India and abroad.



Ms. Veena Swarup is the Director (HR) of our Company. She holds a Master's Degree in Business Administration from Lucknow University. She has three decades of experience in the field of human resource in the petroleum and natural gas sector. Prior to joining EIL, Ms. Swarup was with ONGC since 1983, where she headed the Performance Management and Benchmarking Group, which steers the performance contracts and service level agreements between board level and unit chiefs. Her other assignments included setting up the ONGC Energy Center, Head HR at various units of ONGC, policy making and negotiations with collectives. She also headed the SAP-HR Project for ONGC. She was deputed to MRPL as a change agent to initiate aligning the Company to public sector requirements. She has also had a stint with the Directorate General of Hydrocarbons as the Head of Corporate Affairs and Human Resources. She has been associated with several prestigious committees of DPE & SCOPE to review various policies with reference to Public Sectors. As Director (HR), EIL she is credited for bringing a transformational change in the functioning of HR in EIL and undertaking a number of HR initiatives.



Mr. Ajay Narayan Deshpande is the Director (Technical) of our Company. He has a Bachelor's Degree in Chemical Engineering from Nagpur University and a Master's Degree in Systems & Management from the Indian Institute of Technology, Delhi, securing the first rank in both the programs. He has worked in various capacities of our Company over the past 33 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 maintenance services and information technology in the Technology Division. He has exposure of working in Projects Division also. He has been responsible for the business growth and technology initiatives of the Company and was also responsible for meeting the company's targets on R&D and sustainable development. He has co-authored six patent applications on behalf of the Company. He has served as Director on the Board of CEIL for two years. As Director (Technical) he is now responsible for all Technology and Engineering Divisions within the Company.

Government Nominee Director



Dr. Archana S. Mathur is a Government nominee Director of our Company. She has a Master's Degree in Economics from the Delhi School of Economics, Delhi University and Ph.D. in the field of International Trade from the Jawaharlal Nehru University, New Delhi. She joined the Indian Economic Service in 1982. Over the course of 30 years in the service, Dr. Mathur has served in various economic ministries of the Government of India. She has a number of academic papers in prestigious journals and books to her credit.