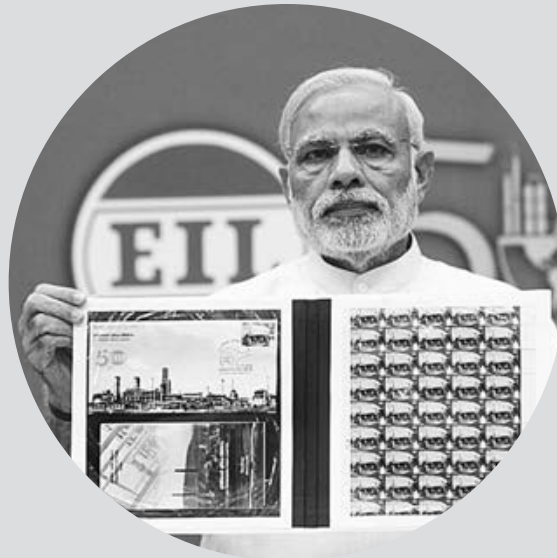




A Navratna Company

Propelling India's Hydrocarbon sector for
five decades

50th ANNUAL
REPORT 2014-15



Release of
EIL's Golden Jubilee Commemorative Postage Stamp by
Hon'ble Prime Minister of India,
Shri Narendra Modi



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.

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 crossfunctional Team efforts.
- Sense of ownership in what we do.

FOREWORD

“the journey of a thousand miles begins with one step”

- Lao Tzu

For all of us at Engineers India Limited, 2015 is a milestone year: a year when we look back with pride and nostalgia on the journey of 50 years of Engineering Excellence that began with the first steps on March 15, 1965 to provide indigenous and competent engineering solutions across the hydrocarbon value chain to young India. Conferment of ‘Navratna Status’ during the year was the most gracious acknowledgement and recognition of your efforts. It indeed is a glittering jewel that has been added to the golden crown. Our performance during the last five decades speaks volumes of the right decisions taken at right time which were duly supported by purposefulness and perseverance of every stakeholder of the Company.

Our eventful journey across five decades has seen us keep pace with the country’s accelerating march towards progress and prosperity and becoming a significant part of the growth story of Hydrocarbon, Petrochemical and Metallurgy sector in India. In this meaningful journey of fifty years, we have achieved numerous milestones that include designing and engineering of 60 refinery projects, of which 10 are greenfield refineries, 9 petrochemical complexes, 39 oil and gas processing projects, over 40 offshore process platforms, 42 pipeline projects, 13 ports and storage and terminal projects, 8 fertilizer projects and 29 mining & metallurgy projects. Our endeavours over these years have also resulted in achieving more than 90% indigenisation in hydrocarbon consultancy as compared to only 5% at the time of our inception.

Augmenting our overseas operations is the need of the hour. Today, and more so in future, the sustainability of EIL will depend largely on overseas projects. In addition to our traditional territories, during the year, we have strengthened our operations in Nigeria, Bangladesh, Angola and Indonesia. The reputation, strengths and capabilities of undertaking challenging engineering consultancy and EPC projects that our company has developed over the period of time will be leveraged to further expand our international operations and to execute mega international projects.

While, Hydrocarbon will continue to remain our focus area, as part of our growth strategy, we are selectively diversifying in high growth sectors of Renewable Energy, Nuclear Power, Infrastructure and Fertilizers, where we can leverage our strong engineering consultancy and PMC capabilities. Our robust corporate strategy steered by the corporate vision to build ‘A world-class EPC and Total Solutions Consultancy Organization’ continues to inspire our entire workforce to deliver excellence and to create a business portfolio for long-term sustainable growth.

Looking back at the momentous 50 years of Engineering Excellence, company’s strong fundamentals, technical know-how, skill sets, well laid out systems & processes, and zeal to excel and above all the unflinching commitment of each and every stakeholder to succeed, inspires us to look forward into the next 50 years with pride and confidence!

Who We Are

- One of India's leading Engineering Consultancy and EPC companies in Hydrocarbons and Petrochemicals.
- 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 2800 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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Sanjay Gupta
Chairman & Managing Director

Chairman's Statement

Dear Shareholders,

It gives me immense pleasure to report your Company's performance during the 50th year of its service to the nation.

As EIL steps out of its Golden Jubilee year, its formidable track record of over five decades of engineering excellence across the hydrocarbon value chain continues to inspire its workforce to deliver excellence and to work towards bigger targets for your Company's long-term sustainable growth. The Company that began with an initial investment of ₹25 lakhs, has a market cap of more than ₹7200 crores today and has paid back to its stakeholders more than ₹2000 crores in terms of dividend and dividend tax. To commemorate the golden journey of your Company's glorious achievements a 'Commemorative Postage Stamp' and 'Coffee Table Book' were released by Shri Narendra Modi, the Hon'ble Prime Minister of India during Urja Sangam - an international energy summit, which was organized in New Delhi on March 27, 2015 under the aegis of Ministry of Petroleum & Natural Gas. During the year, your Company was also accorded the coveted 'Navratna' status by the Government of India.

During the financial year 2014-15, your Company has registered an operational turnover of ₹1713 Crore. The revenue from consultancy & engineering business and turnkey projects stood at ₹948 Crore and ₹765 Crore respectively. Profit After Tax during the year was ₹308 Crore.

On the business front, your Company secured new business of ₹2305 Crore in FY2014-15 which includes ₹610 Crore from domestic consultancy, ₹1253 Crore from overseas consultancy and ₹442 Crore from turnkey segment. Major contribution in our order inflows continues to remain from Hydrocarbon and Petrochemical business.

In the upstream segment, major assignments secured during the year were Project Management consultancy for Mangala Phase-2 EOR Project and FEED for Bhagyam Polymer EOR Project of Cairn India Limited.

In the midstream segment, your Company secured Project Management Consultancy Services for Assessment of Health/ Integrity of GAIL's Pipeline System & PMC Services for KG Basin Pipelines Restoration Works and EPCM Services for re-routing of Mumbai-Manmad Pipeline for BPCL to name a few.

In downstream refining & petrochemical segment, major consulting orders secured by your Company were DHD Unit of BPCL Mumbai; Consultancy services for IOCL's Delayed Coker Unit & allied facilities under Distillate Yield Improvement Project at Haldia; Conversion of Catalytic Reformer Unit into Isomerization Unit and Process Design & EPCM Consultancy Services for Tail Gas Treatment Unit (TGTU) at Mumbai Refinery of BPCL. Your Company further augmented its foray into the LNG sector with the award of FEED for LNG Terminal in Gir Somnath, Gujarat for HPCL Shapoorji Energy Limited (HSEL).

In the Infrastructure field, your Company was awarded projects from Indian Rare Earths Limited (IREL), Odisha for Site related Civil, Electrical and Mechanical Piping consultancy services for 5.0 MLD Sea Water Desalination Plant; DPR for Abatement of pollution in Buddha Nala in Ludhiana City from Punjab Water Supply & Sewerage Board and an assignment from Kamarajar Port Limited for development of Container Terminal through PPP mode on DBFOT basis.

Your Company also secured business in the new diversified areas. These included Pre-Feasibility Study for Coal to Poly Generation

Project at Mundra; Petcoke Gasification Feasibility Study report for NFL- Nangal; DFR of Solar Power Project at GAIL Pata. In LSTK domain, your Company was successful in securing an OBE assignment from ONGC in Hazira under their Daman Development Project.

This financial year saw an exponential jump in overseas order booking. Your Company has made significant foray in Africa by securing a PMC assignment for a Grassroot 460,000 BPSD Refinery and 690,000 TPA Polypropylene plant for Dangote Oil Refining Company in Nigeria. This is, as on date, the largest value consultancy order received by your Company. In addition to the above, your Company has secured Consultancy Services assignment for Lobito Refinery Project of Sonangol E.P. in Angola. Your Company was also successful in securing a PMC assignment for a Fertilizer Project envisaging Ammonia, Urea & Methanol Plants of Brass Fertilizer Company Limited in Nigeria. EIL has also made successful entry in South Sudan by securing a Feasibility Assignment for building South Sudan-Ethiopia-Djibouti Pipeline. In Oman your Company was appointed PMC by Oman Refineries and Petroleum Industries Company (ORPIC) for an Integrated Petrochemical Complex near Sohar Refinery and for RFCC Revamp and various units Improvement works at Sohar Refinery. In Bahrain, your Company was awarded its first Training assignment, wherein EIL specialists are providing training to Bahrain Petroleum Company (BAPCO) employees on Design and Engineering concepts. This has opened new avenues for potential training related jobs in BAPCO and other clients in the Hydrocarbon sector in International market. Your Company was successful in renewing its General Services Agreement with BAPCO for 2 years which is likely to open avenues for various engineering assignments for EIL.

UAE has been a very consistent market for your Company. To expand its business prospects in UAE, EIL has expanded its existing engineering office there. In UAE, your Company has been successful in securing number of prestigious assignments including Consultancy services for Crude Unit Tower Debottlenecking assignment at Abu Dhabi Refinery for Takreer.

Your Company has also made entry into Russia for providing its consultancy services for PFR for Natural Gas Based Urea Ammonia Plant in Siberia region. This will provide further opportunities to expand Company's footprints in CIS countries.

The year saw a number of critical projects commissioned and good progress achieved on other ongoing projects. In the Refinery Segment, EIL successfully completed Mangalore Refinery Ph-III Expansion by commissioning the PFCC Unit, Polypropylene Unit, Sulphur Recovery Unit and Delayed Coker Unit which will result in higher operating margins for the refinery. EIL also successfully commissioned the largest WAX unit of the country (~50 TMTA) at Numaligarh Refinery of NRL. CDU-4 Unit of BPCL-Mumbai Refinery which your Company is executing under EPCM mode is under pre-commissioning. Integrated Refinery Expansion Project of BPCL Kochi Refinery, Residue Upgradation Project at CPCL Refinery and other projects are also progressing well.

In Petrochemical Sector, EIL achieved Mechanical completion of GAIL's Petrochemical Expansion Projects at Pata & Vijapur. Both complexes are under commissioning. During the year, your Company also achieved mechanical completion of Assam Gas Cracker Project of BCPL- the first ever Petrochemical Plant in the North-East Region. Pre-commissioning activities are also under progress at OPA's grass root mega Petrochemical project at Dahej. Your Company also successfully commissioned Butene-1 unit of IOCL Panipat Refinery,

executed on Open Book Estimate (OBE) Basis.

In Upstream Sector, GSPC's Offshore Gas Platform at Deen Dayal field in the Krishna-Godavari basin as well as connecting Onshore Gas Terminal (OGT) achieved Mechanical completion. Major facilities in OGT were also commissioned during the year. In addition to this, Cairn's Mangala Process Terminal utility project was also completed during the year.

In Fertilizer segment, EIL is executing three major international projects in Nigeria, Indonesia and Bangladesh. All these assignments achieved encouraging progress during the year. Your Company is also undertaking a strategic investment in the form of equity participation for Revival of Ramagundam Fertilizer Project along with National Fertilizer Limited and Fertilizer Corporation of India Limited. A joint venture Company (Ramagundam Fertilizers and Chemicals Limited) has been formed to pilot this project. Your Company will also provide EPCM services for this project.

In Infrastructure segment, Delhi Jal Board's Yamuna River Pollution Abatement Project achieved readiness of various interceptor stretches and work is in full swing to make the project operational at the earliest. Your Company also achieved mechanical completion of Strategic Crude Storage Caverns at Vizag, Mangalore and Padur. 1st Crude-In for Vizag is accomplished.

To stay ahead in the fast evolving technological landscape of the energy sector, your Company's Research & Development Centre (R&D) in Gurgaon has been successful in commercializing a technology for Crude Distillation Unit (CDU) Preheat Train Optimization using Pinch technology at Numaligarh Refinery. Various technology development programmes that were completed during the year include Development of Process for Treatment of Naphtha Stream to eliminate Mercaptan by CFC Process, Regeneration of Glycol by Extractive Distillation and Solvent development for CO₂ removal from sour gases to name a few. Some of the critical technology development programs that are under progress include design of Hige water deaeration system in association with BPCL (R&D), Design Methodology for Trays with Explosion Hatches and Process Design and Development of New Separation Devices for Flash Drum.

During the year, your Company's R&D efforts were recognized by grant of two patents:

- High pressure fluidized bed gasifier and gasification process thereof
- An absorbent liquid and a process for removal of acid gases using the same

With this your Company's patent portfolio has grown to 16 'live' patents relating to various process technologies.

Information Technology Services (ITS) division of your Company continued to provide state-of-the-art IT enabled services to EIL's main stream activities by developing/implementing leading IT solutions with an aim to deliver better quality services with increased efficiency at reduced costs. ITS division continued with their persistent efforts towards new initiatives and enhancement of existing systems during the year. The division along with Infrastructure division also completed prestigious PMC assignment for Directorate General of Hydrocarbon (DGH)'s National Data Repository (NDR) project which aims at providing a world-class data storage and retrieval infrastructure for the hydrocarbon exploration and production (E&P) data in safe and reusable manner.

Your Company's Environment Division over the years has executed projects in diversified fields of water & wastewater 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. During the year while continuing with their endeavor of providing environment friendly solutions to its clients, the division, with its in-house strength of EIA Coordinators and Functional Area Experts, was re-accredited by Quality Council of India (QCI) for carrying out EIA studies in India in eleven sectors.

Your Company takes pride in its highly motivated and spirited workforce 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.

The year focused on strengthening HR's resolve in creating a more transparent, performance driven and nurturing environment for its key stakeholders – the people. The HR Agenda drawn for the year 2014-15 facilitated in prioritizing key action areas and synergized the HR teams to work in unison towards achievement of the organizational goals.

Action points that emerged from the Employee Engagement Survey- 'Abhivyakti' were taken up for implementation in a phased manner. The HR Meet and HOD meet-Vicharavesh continued to provide valuable platforms for effective brainstorming which brought forth various suggestions for implementation thereby creating an environment of ownership, trust and collaboration.

To create a robust system of performance assessment in line with Industry best practices, the performance appraisal process and promotion policy for officers was reviewed and significant changes were brought about to promote higher engagement.

Your Company is well aware of its social responsibilities. The thrust areas for your Company's CSR activities/projects are education, healthcare, drinking water/sanitation, rural electrification, environment protection/sustainability, women empowerment, upliftment of underprivileged, community development and vocational training/skill centre.

Major CSR initiatives undertaken by your Company during the year include renovation/up gradation of infrastructure in various educational institutes for underprivileged children in Assam, construction of auditorium for girl students and support for setting up of a Digital Library in Andhra Pradesh, classroom and toilet facilities (for girls) in Coimbatore and many such Initiatives. Your Company also supports value based educational programs in various schools of Uttarakhand and free education to underprivileged children from the slums of Delhi/NCR. Another on-going key initiative is adoption of 100 and 25 Ekal Vidyalayas in Dibrugarh District in Assam and Odisha respectively through 'One Teacher School'.

Responding to Hon'ble Prime Minister's clarion call for a Swachh Bharat, your Company undertook number of initiatives during the year including providing basic amenity of safe and clean toilets to a large segment of the Indian population esp. the girl students

under Swachh Vidyalaya Program. Your Company is constructing / renovating 509 school toilets for girls and boys in the states of Bihar, Odisha, Tamil Nadu and Assam. Separate toilets were planned for girls and boys in schools, some of which are located in very remote areas. Your Company shall also be adopting a heritage city in Northern India to set up a Waste to Fuel conversion facility as part of the cleanliness campaign under Swachh Bharat campaign.

"Make in India" is another global initiative launched by Hon'ble Prime Minister which will give huge boost to indigenous manufacturing. Your Company being an integral part of development of hydrocarbon sector in the country has taken up this campaign in the true spirit and has been pursuing several initiatives. EIL is piloting the midstream sector for "Make in India" initiative under MoP&NG and is a member of the Steering Committee set up for the purpose. A Vendor Meet with all stakeholders was held in Mumbai for sensitizing the manufacturing sector to the policy initiative being contemplated.

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 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). 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. During the year, your Company was conferred with the prestigious Rajiv Gandhi National Quality Award (RGNQA), Commendation Certificate 2012 in Large Scale Service Industry Category instituted by Bureau of Indian Standards (BIS).

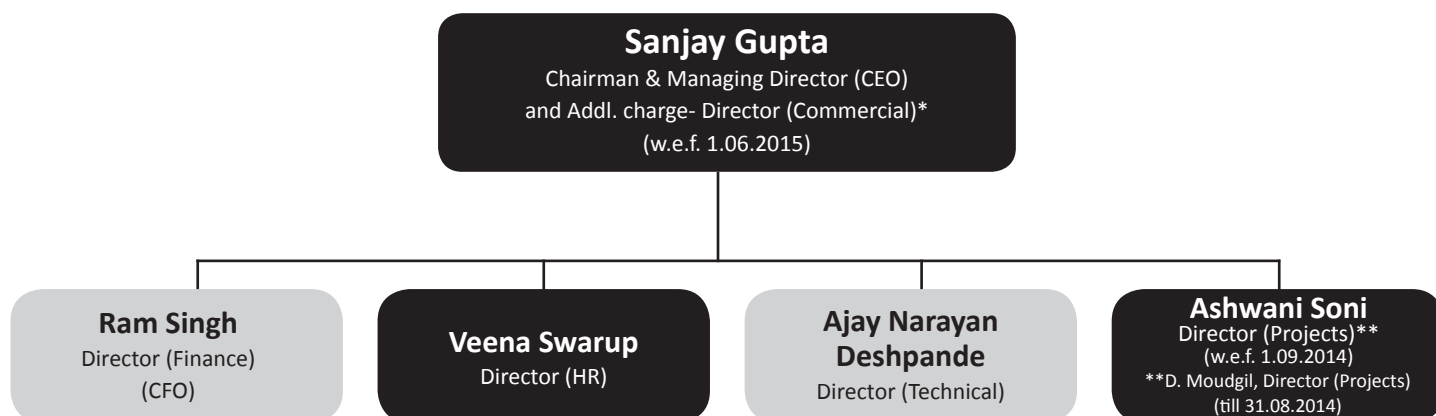
This year also saw the Company being bestowed with number of prestigious awards, prominent being India Today PSUs Award 2014 in the category of "Best Global Presence", Golden Peacock Award for Corporate Governance for the year 2014 instituted by Institute of Directors (IOD), FICCI Chemical and Petrochemical Awards 2014 in the categories of "Process Innovator of the Year-Petrochemicals" and "Sustainability Award for Best Green Process-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.

The Company remains committed to good corporate governance and ethical practices as per Listing Agreement with Stock Exchanges and Government Guidelines.

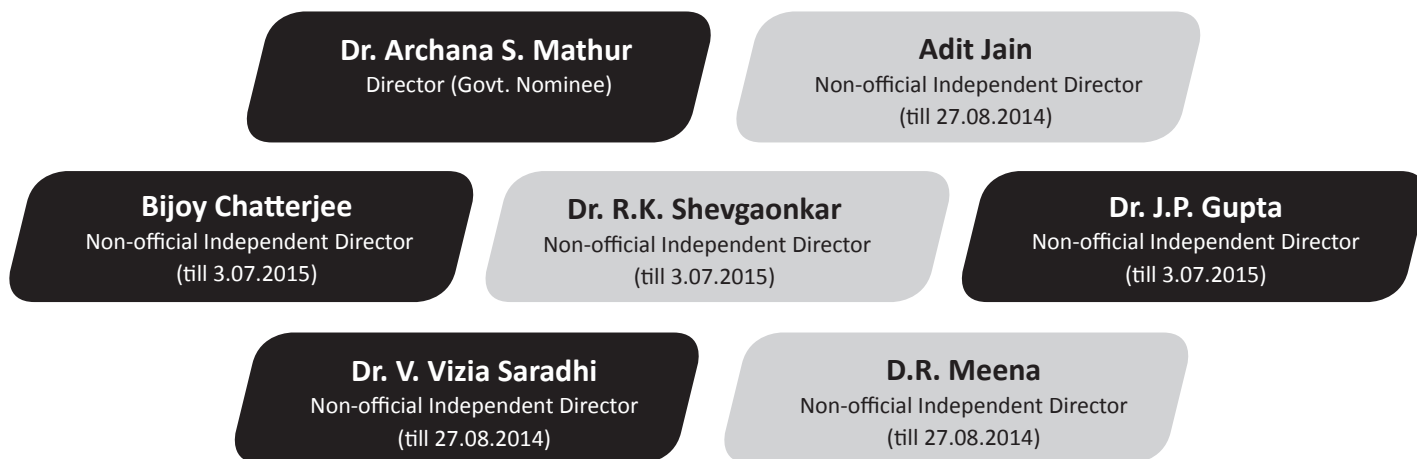
I thank you for your continued support and faith in the Company's growth potential and look forward to your feedback and advice. EIL management joins me in wishing you and your family lot of prosperity and good health.

Sanjay Gupta

Board of Directors



Non-Executive Directors



Company Secretary

Rajan Kapur

*Shri A.K. Purwaha ceased to be Chairman & Managing Director of the Company w.e.f. 1.06.2015 due to his retirement on attaining the age of superannuation on 31.05.2015. Shri Sanjay Gupta, Director (Commercial) was appointed as Additional Director and Chairman & Managing Director and also entrusted with charge of the post of Director (Commercial) w.e.f. 1.06.2015.

Brief Profiles of the Directors



Mr. 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 34 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.



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. Mr. 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) which was presented at the forum of Asian Oil Ministers. 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 Philippines (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. Mr. Ram Singh has been conferred with 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.



Ms. Veena Swarup is the Director (HR) of our Company. She holds a Master's Degree in Business Administration from Lucknow University. She has more than 3 decades of experience in the fields of human resource in the Petroleum and Natural Gas sector. Prior to joining EIL, Ms. Swarup was with ONGC since 1983, where she held several assignments including Head of Performance Management & Benchmarking Group, which steered Performance Contracts & Service Level Agreements between board level and unit chiefs. Her other assignment 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, which was the largest Project in Asia at that time. She was deputed to MRPL as a change agent to initiate aligning the Company to Public Sector requirements. She also had a short stint in 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 has taken several pathbreaking initiatives towards Talent Management, Training & Development, Employee Communication, CSR & Brand Building with a view to take EIL to greater heights. She has also been recognized in the field of Management by various agencies. Some of the Awards recently conferred to her include Legend Director of the Year 2014 by News Ink Media, Indian Achievers' Award for Corporate Leadership in Human Resources for outstanding achievements in Business & Social Service by Indian Achievers Forum.