Engineers India Limited

इंजीनियर्स इंडिया लिमिटेड
(भारत सरकार का उपक्रम)
ENGINEERS INDIA LIMITED
(A Govt. of India Undertaking)





Investor Presentation

15th March, 2012

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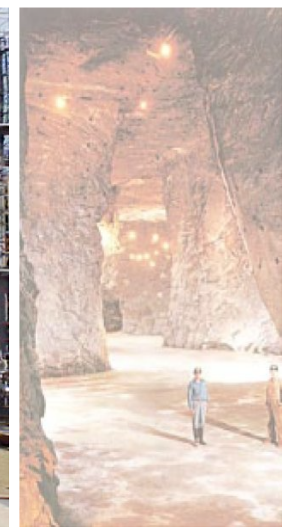
Overview of Engineers India Limited





Engineers India Limited: Background

- One of India's leading Consultancy and EPC Companies in Hydrocarbons and Petrochemical

- Focused diversification into other emerging sectors .
  - ➢ 1973: Diversified business into mining & non ferrous metallurgy
  - ➢ 2001: Diversified into infrastructure sectors
  - ➢ 2004: Strategic crude oil storage as part of Govt. of India's energy security initiative
  - ➢ 2010-11: Diversification initiatives into Fertilizer, City Gas & Power sectors

- Technology driven organization with an in-house and collaborative (R&D)

- Overseas presence in Middle East, North Africa and South East Asia.

- ***Zero debt firm with reserves of over INR 21 Billion with consistent record of healthy earnings and dividend payout***

Evolution and Key Milestones

- Wholly owned GoI Company.
- MRL Refinery (now CPCL – a group company of IOCL)

- Expansion to Petrochem with IPCL *(now Reliance Industries Ltd)*

- First overseas project
- Entered non-ferrous metallurgical sector

- Expansion in Hydrocarbons Value Chain
  - *Offshore*
  - *Pipelines*
  - *Onshore oil and gas*
  - *Terminals*

- Diversified into infrastructure

- Expanded into Strategic Storages for GoI

1965 | 1967 | 1969 | 1973 | 1975-78 | 1989 | 1997 | 2001 | 2004 | 2007 | 2010 | 2011

- Established as a JV between GoI and Bechtel

- R&D Centre in Gurgaon

- Listed on the BSE and NSE stock exchanges
- ***Accorded the Mini Ratna status***

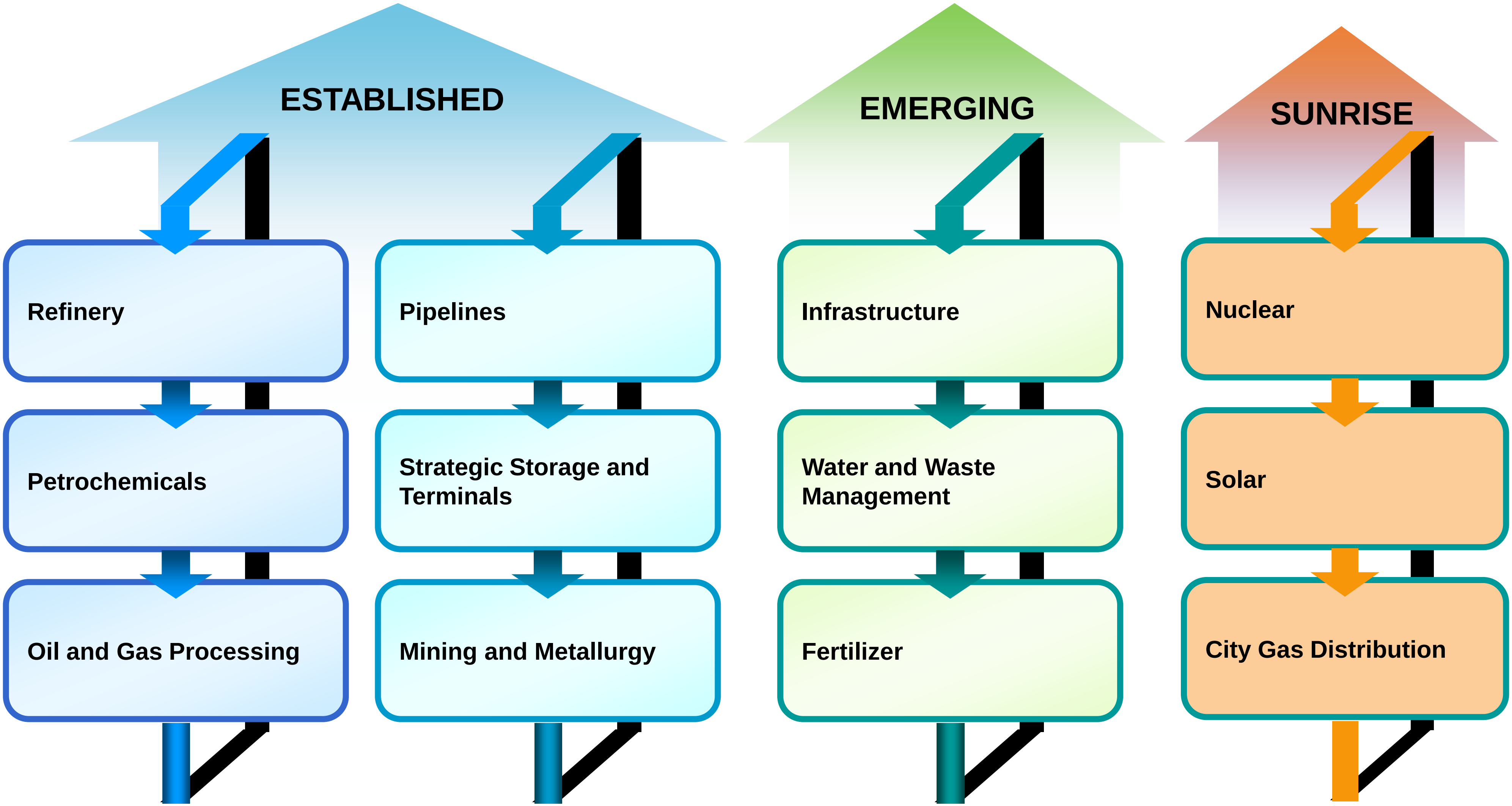
- Pioneers in hydrocarbon industry in India to enter into OBE* contract

- Share split, 2:1
- Bonus share
- 1000% special interim dividend.
- Successful FPO of Rs 3.36 Cr shares of Rs 5 each.

- Re-entry into Fertilizer Sector

* OBE: Open Book Estimate; **PMC: Project Management Consultancy

Lines of Business – Diversifying the Portfolio



Service Offering: From Concept to Commissioning

Process Design services

- Conceptual designs and feasibility reports
- Basic design packages for
  - Open art process units for gas-processing and refineries
  - Integrated utilities and offsite facilities
- Offers a portfolio of more than 30 process technologies for application in oil and gas processing sector
- Residual basic engineering for licensed process units
- Yield and energy optimization and capacity augmentation services in process plants

Certification services

- Certification and re-certification services through EIL subsidiary - Certification Engineers International Ltd

Engineering services

- Expertise ranges for all engineering services such as piping, mechanical, electrical, control systems, civil, structural and architectural, including advanced engineering analysis
- Specialised services for
  - Heat and mass transfer
  - Environment engineering
  - Materials and maintenance services

Project Management services

- Integrated project management services with focus on cost, quality and schedule
- Services include developing project execution plans, detailed schedules, cost forecasts, progress tracking and reporting, and the integration of the engineering, procurement, logistics, construction and commissioning works

Procurement services

- Comprehensive procurement services such as strategic sourcing, materials management, contracts management, purchase, expediting, inspection services and logistics

Commissioning services

- Services include audit of plant readiness, start-up and commissioning, as well as conducting performance guarantee tests
- Includes pre-commissioning and commissioning assistance for projects
- Safety audit, hazard and operability studies, risk and consequence analysis services

Construction Management services

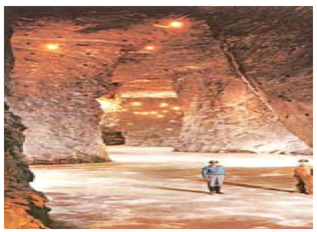
- Comprehensive services at site including warehouse management, quality control and assurance, health safety and environment (HSE), progress monitoring and scheduling
- Undertakes total site responsibility from survey and soil investigation to mechanical completion of project

Service Offering - Modes of Contracts Managed

Engineering, Procurement & Construction (EPC)

- Contracts under which EIL is responsible for the entire project as a turnkey contractor. EPC contracts fall into two broad categories:
  - Lump-sum turnkey ("LSTK") contracts
  - Open book estimate ("OBE") contracts (form of cost reimbursable contract)with a provision for conversion to LSTK for a project. Benefits under OBE contracts primarily relate to ensuring control over the time and expenses for a project and greater certainty of outcome






Engineering, Procurement and Construction Management (EPCM)

- Contracts under which EIL provides services related to process engineering, detail engineering, procurement, construction supervision through co-ordination of various suppliers and contractors and commissioning and pre-commissioning assistance






EPC/ OBE

EPCM

Nature of Contracts

FEED

PMC

Front-end Engineering & Design (FEED)

- Upstream process design, residual basic design and front-end basic engineering for complete definition of scope for selection of EPC contractor

Project Management Consultancy (PMC)

- Contracts under which EIL provides comprehensive project management services for the implementation of a project though turnkey contractors ensuring design, quality and schedule

Moving to Relationship Contracts

Conventional EPC Models	OBE – LSTK Model
❑ Feed required for obtaining firm and fixed LSTK Price	❑ Preliminary design sufficient for negotiating OBE – LSTK Contract
❑ Time cycle to LSTK award is high. ✓ FEED/PMC bidding and award ✓ LSTK Bidding and award	❑ Shortest Bidding period possible ✓ Owner directly negotiates OBE – LSTK
❑ Owner bears the Price for High Risk of Contractor ✓ P&M/c is estimated and contractor builds risk premium for same	❑ Owner bears realistic price as governed by market conditions ✓ No hidden costs ✓ No risk premium can be built.
❑ No flexibility . Design to be frozen at the bidding stage	❑ Greater Flexibility. Design progresses post award.
❑ Actual P&M/c cost and contractor Fees unknown to Owner	❑ Transparency in costs and fees

Track Record and Credentials





Experience Credentials

209 Offshore Platforms

29 Infrastructure Projects

36 Oil & Gas Processing Projects

28 Mining & Metal. Projects

56 Refinery Projects including 9 Grass Root

17 Turnkey Projects

8 Petrochemical Complexes

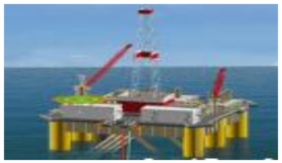
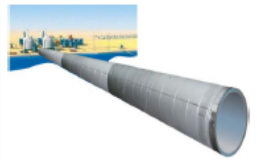
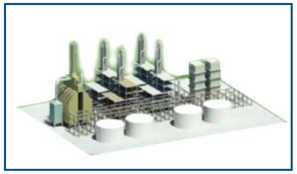
13 Ports & Storage Terminals

42 Pipeline Projects

14 Fertiliser Projects

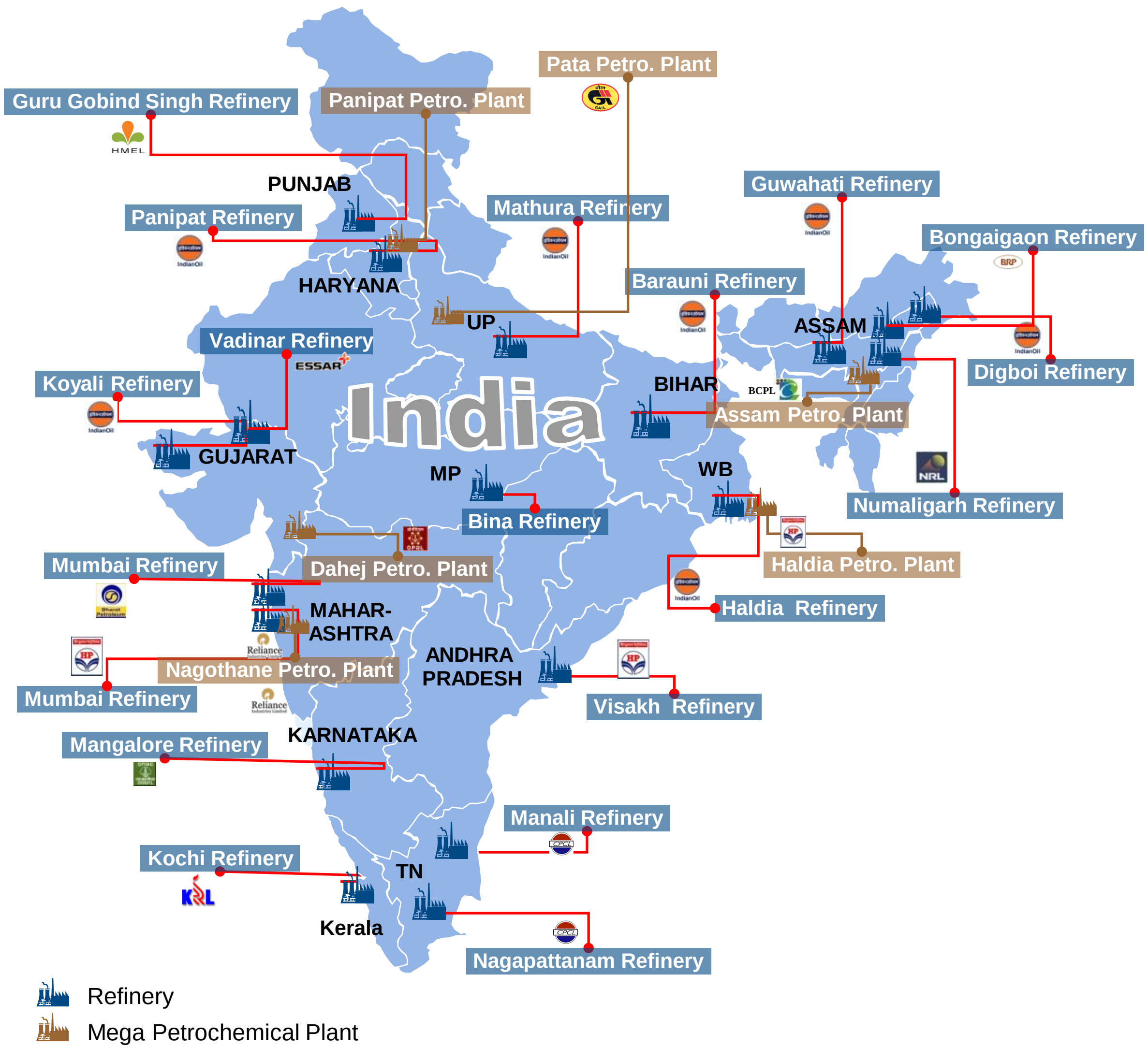
** Indicative list of major projects completed as of Feb 2012*

Presence Across the Hydrocarbon Value Chain

	Offshore Oil & Gas	Oil & Gas Transportation	Onshore Oil & Gas	Refineries	Petrochemicals	Storage, Ports & Terminals
						
Overview	• Work for various engineering consultancy services on the Indian West Coast and East Coast	• Engineering consultancy services for more than 10,000 km of onshore and subsea pipeline projects in India and internationally	• Experience and engineering capabilities for the design of onshore facilities such as Group gathering stations, multistage separation, crude desalting and dehydration, heavy oil and sour oil processing	• Range of services from concept to commissioning of refinery projects ranging from single unit revamp projects to mega refinery or refinery cum petrochemicals complexes	• EIL's experience in the field of petrochemicals covers the design and construction of major fully-integrated petrochemical complexes, as well as a large number of individual petrochemical units	• Engineering consultancy services on various coastal engineering projects, including geo-technical engineering, layout preparation for ports and shipyards and materials handling
Key highlights	• Engineering consultancy services on more than 150 well platforms and 30 process platforms in India for ONGC • Executed international projects in Qatar and Abu Dhabi • Engaged in the offshore platform projects for the Deen Dayal Field Development Project of GSPC on Indian East Coast	• EIL was involved in the development of the HBJ pipeline – India's largest gas pipeline network • Engineering consultancy services to GAIL on one of the world's longest LPG pipeline • Developed strategic pipelines for HPCL, BPCL, BORL, IOCL and HMEL	• Developed gas processing complexes at Hazira and Uran and the C2/C3 and LPG recovery units at Auraiya • Currently engaged in the onshore platform projects for the Deen Dayal Field Development Project of GSPC • International projects executed in Algeria and Abu Dhabi	• EIL has worked on over 50 refinery projects in India • Worked on 9 grassroot refinery projects from concept to commissioning • Expertise in LP modelling for configuration studies and energy savings in refining process	• EIL has been involved in the establishment of seven out of the eight mega petrochemical complexes in India • EPCM services for GAIL, NOCIL, Petrofils Limited, IOCL, IPCL (now RIL) and others	• Developed expertise for storage of crude oil in unlined underground caverns - security initiative for strategic crude oil storage as part of the Integrated Energy Policy of GoI

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

Leadership Position in Refineries and Petrochemicals in India



MILESTONES

- Worked on a combined refining capacity of more than 200 MMTPA (5 million BPD)
- Engineered 9 grassroots refineries
- Involved in the establishment of 7 out of the 8 mega petrochemical complexes in India
- Forayed into new areas such as Strategic Storages

Long Term Relationships - Hydrocarbons

Oil and Gas Majors	Refining	Petchem	Pipeline	Offshore O&G	Onshore O&G	Storage/ Terminal	Recent projects
IndianOil	✓	✓	✓			✓	✓ DHDT project at Bongaigaon ✓ Panipat refinery expansion ✓ Panipat Naphtha Cracker Project ✓ HDPE, LLDPE Project at Panipat ✓ CPP, SBM & Pipeline Project of Paradip
Bharat Petroleum	✓		✓			✓	✓ Capacity expansion at Kochi ✓ Bina-Kota Pipeline ✓ Bina Grass Root Refinery
HP	✓	✓	✓			✓	✓ HMEL – Grass Root refinery at Bhatinda ✓ Green Fuel Project at Visakh ✓ Clean Fuel Project at Mumbai
GAIL		✓	✓		✓		✓ Assam Gas Cracker for BCPL/ GAIL ✓ Vijaipur - Dadri pipeline ✓ Petchem expansion at Pata and Vijaipur
ONGC		✓		✓	✓	✓	✓ Flare Gas Recovery – Neelam and Heera Process platform ✓ Dahej Petrochem of OPaL ✓ Gas processing facilities at Uran and Hazira for ONGC
ONGC MRPL	✓	✓					✓ PFCC & SRU Block of Phase III Project at Mangalore ✓ Polypropylene unit of Phase III refinery project at Mangalore ✓ SBM, Pipeline of Phase III project at Mangalore
CPCL	✓					✓	✓ Euro IV quality upgrading project at Chennai DHDT and NHT/ISOM

✓ **EIL's track record coupled with long-term client relationships across all sectors positions it to capture repeat orders**

Long Term Relations - Mining & Metallurgy and Infrastructure

Mining and Metallurgy

INDAL

Recent Completed Projects

- Alumina Refinery Project at Lanjigarh for Sterlite
- Aluminum Smelter Expansion Project at Hirakud for INDAL
- Aluminum Smelter Project at Angul including Phase I and Phase II Expansion thereof for NALCO
- Mines and Alumina Refinery Project at Damanjodi including Phase I Expansion thereof for NALCO
- Rampur-Aguccha Lead-Zinc Mining and Beneficiation Project and Expansion thereof for Hindustan Zinc Limited (HZL)
- Ghatsila Copper Refinery Expansion Project for Hindustan Copper Limited

Infrastructure

Recent Completed Projects

- Construction of Office Complex at Noida for Oil India Limited
- Development of Campus for Indira Gandhi National Open University
- Apparel International Mart Cum Exhibition Complex at Sector 44, Gurgaon for Apparel Export Promotion Council of India
- PCRA Building for Petroleum Conservation Research Association
- Modernization and Restructuring Project of Delhi Airport Project
- Rugby Stadium for Commonwealth Games for the University of Delhi

Global Presence

Overseas Clients

CLIENT	COUNTRY
SONATRACH	Algeria
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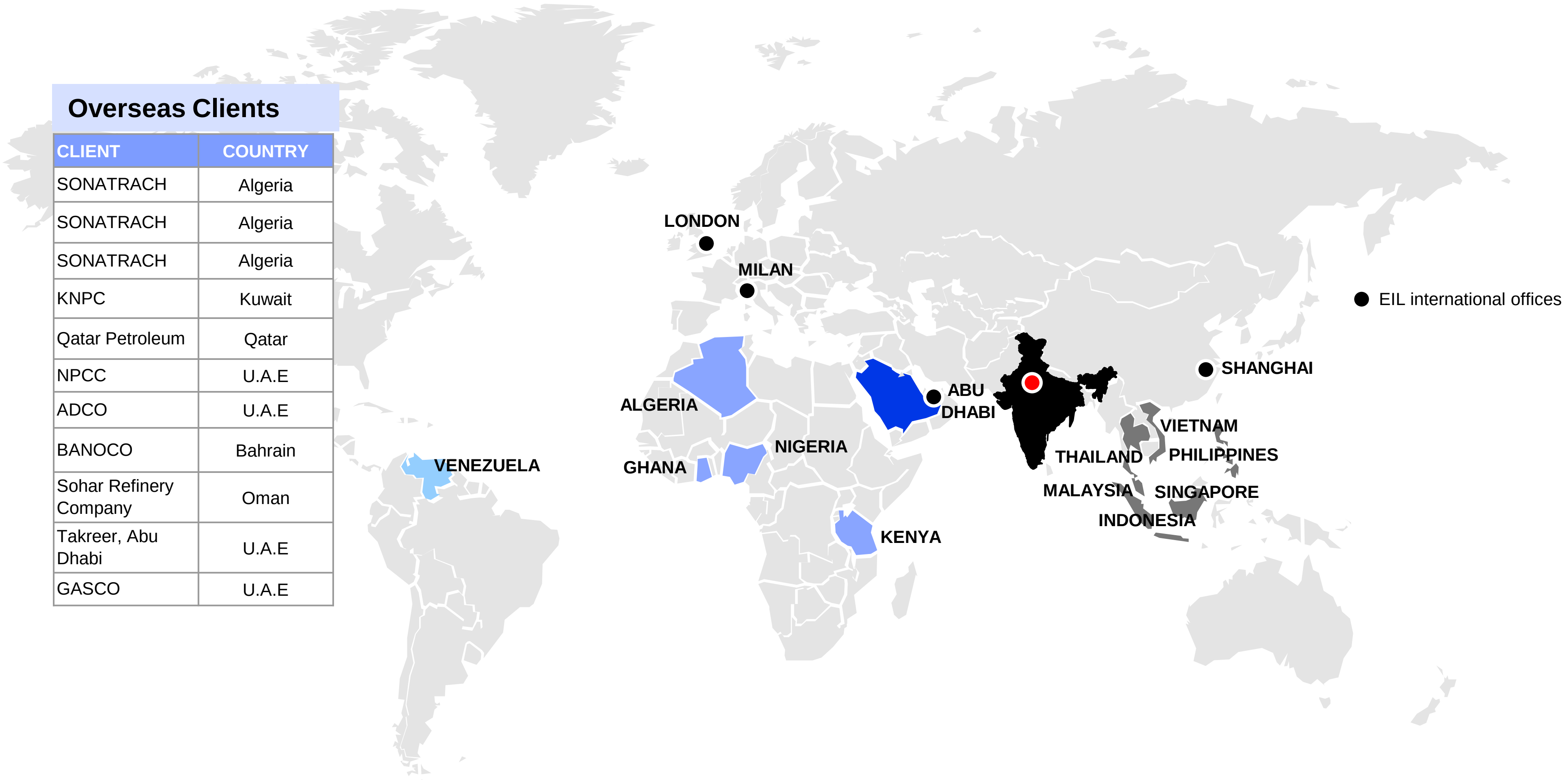
KNPC	Kuwait
Qatar Petroleum	Qatar
NPCC	U.A.E
ADCO	U.A.E
BANOCO	Bahrain
Sohar Refinery Company	Oman
Takreer, Abu Dhabi	U.A.E
GASCO	U.A.E



Technical Competence backed up by In-house and Collaborative R&D . . . Execution Support

India's leading Engineering services firm with a comprehensive business model

1 State of the art R&D centre at Gurgaon…

2 …technology driven full range of services…

Integrated business

1 Process Design & Engineering Services
2 Procurement Services
3 Construction Management Services
4 Commissioning Services
5 Project Management Services
6 Certification Services

3 …across all forms of contracts

FEED | PMC | EPCM | EPC

Technology driven organisation

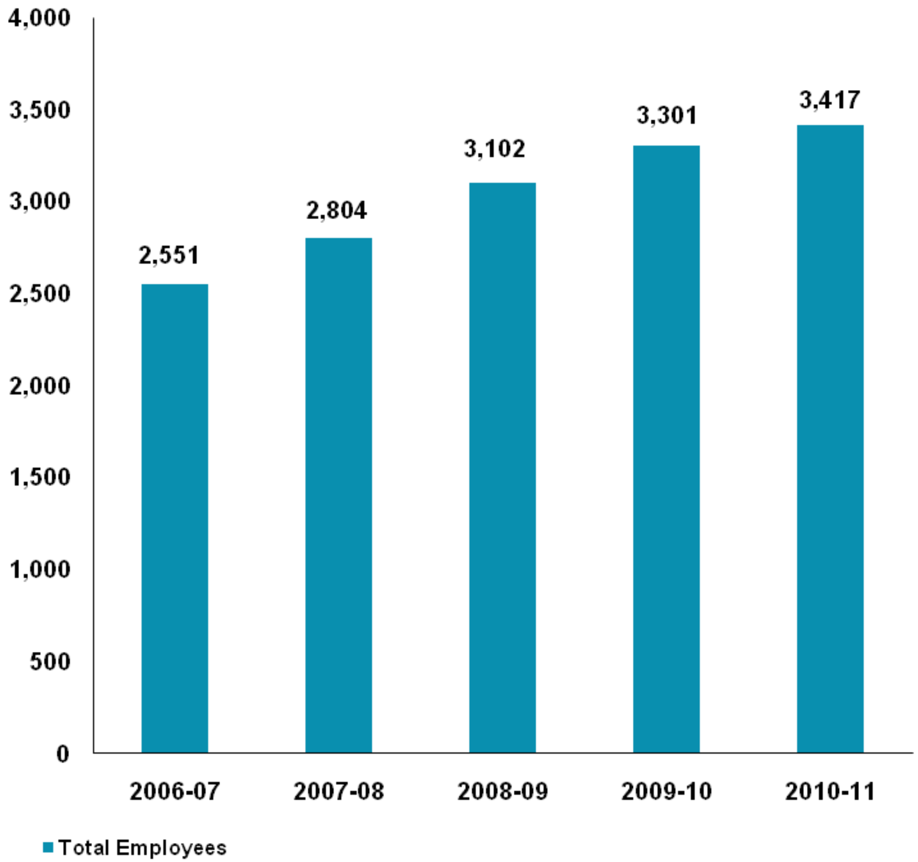
- EIL has developed over 30 process technologies for the oil & gas processing, refineries and petrochemical industries
- Currently holds 13 patents and have 30 pending patent applications relating to various process technologies
- Comprehensive environment engineering services
- Comprehensive Hazop, Hazan, Risk and consequence analysis services

EIL process technologies

- Vis-breaking
- Delayed coking
- Sulphur recovery
- LPG Sweetening
- Light naphtha isomerization
- Aromatic extraction

Qualified and Motivated Employee Team

Growing manpower despite difficult market conditions



Focus to retain manpower and encourage loyalty

- ☑ Key personnel policies in place to recruit talented employees and facilitate integration into EIL, encourage skill development and enhance their professional excellence
- ☑ Focused leadership development program
- ☑ Attractive pay package
- ☑ Performance-linked variable pay structure
- ☑ Harmonious industrial relations
- ☑ 98% located in India, balance located overseas

Employee centric HR policies reflected in lower attrition over years

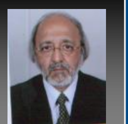
EIL's HR initiatives and brand have enabled it to hire and retain skilled talent pool

Experienced Board and Leadership Team

Board of Directors: Executive Directors

Ashok K. Purwaha
Chairman and Managing Director

- More than 33 years of experience in Oil & Gas sector
- Served with ONGC (more than 8 years)
- Served with GAIL India Limited for over 24 years, last position held was as Director (Business Development) on GAIL Board
- Led Mahanagar Gas Limited, Mumbai (a joint venture of GAIL India Limited and British Gas) as MD for 5 years
- Currently responsible for the general administration and management of EIL

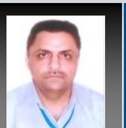


Peush Mahajan
Director (Technical)

- 38 years of experience in engineering, projects & technology .
- Started his career with Department of Atomic Energy and joined EIL in 1982.
- Currently responsible for functioning of Divisions in the Technical Directorate of EIL

G D Goyal
Director (Commercial)

- Over 34 years of experience in Process design and development, administration and technology. Also held post of ED In-charge of Marketing and Procurement services
- Currently responsible for the general administration and management of the Commercial Directorate of EIL



D Moudgil
Director (Projects)

- Over 35 Years of experience in construction and projects
- Successfully led EIL's diversification into Infrastructure sector.
- Also Director on the Board of Certification Engineers International Limited (CEIL), a subsidiary of EIL

Ram Singh
Director (Finance)

- 27 years of experience in finance and cost accounting
- Held positions with BPCL, Petroleum Planning and Analysis Cell of MoP&NG, the Oil Coordination Committee and Steel Authority of India Limited
- Currently responsible for financial management of EIL

P.K. Rastogi
Director (HR)

- 38 years of experience in engineering & projects in EIL
- Involved in HR Management, training and development, industrial relations and welfare, administration and estate management and corporate social responsibility functions
- Currently responsible for personnel management of EIL

Board of Directors: Non-Executive Directors

Laxmi N. Gupta
Nominee Director

- Government director nominated by MoPNG
- Over 25 years of experience
- Previously was Chairman and MD of Orissa Hydro Power Corporation and Commissioner cum Secretary, Department of Mines and Steel

Dependra Pathak
Nominee Director

- Government director nominated by MoPNG
- Over 25 years of experience

Arun K. Purwar
Independent Director

- 39 years of experience in corporate, retail and international banking
- Previously MD State Bank of Patiala, Chairman,SBI
- Recipient of key awards from Bombay Management Association, Indian Banks Association and others

Udaykrishna Bose
Independent Director

- 34 years of experience in drilling and petrochemicals
- Has developed a high-end training facility for rig supervisors; authored papers on drilling technology
- Currently serves on BoD of ONGC

Dr. Avinash Chandra
Independent Director

- Over 47 years of experience in the oil industry
- Previously held positions at ONGC, OIL and Advisor (Exploration) to the MoPNG
- Also served as Director General of Hydrocarbons, MoPNG

Adit Jain
Independent Director

- Chairman and editorial director of IMA India, a business information company established in 1994
- Advisor to several MNCs on India strategy
- Has successfully handled assignments in public policy, entry strategy planning, location audits, competitor analysis, scenario planning and JVs

Dr. (Prof.) Krishna Deo Prasad Nigam
Independent Director

- Has been a professor at the Indian Institute of Technology (IIT) Delhi and is an adjunct professor at Concordia University, Montreal Canada
- Currently is the Managing Director of the Foundation for Innovation & Technology Transfer, at IIT Delhi

EIL's Board of Directors comprise of qualified and reputed individuals with long-standing experience across several industry verticals

Awards and Accolades

Awards for 2011-12

- ***"SCOPE Excellence Award for Excellence and Outstanding Contribution to Public Sector Management 2009-10"* under Miniratna category by SCOPE.**

- ***"PSE Excellence Award – 2011"* for R&D, Technology Development & Innovation by Indian Chamber of Commerce.**

- ***"Sarvashreshtha Suraksha Puraskar (Golden Shield)"* by National Safety Council of India for executing LLDPE/HDPE (Swing Unit) of IOCL's Panipat Naphtha Cracker Project.**

Awards for 2010-11

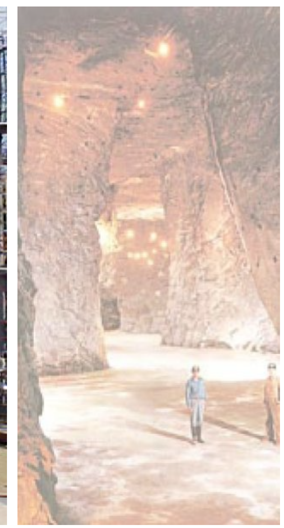
- ***Construction Industry Development Council (CIDIC) Awards in 5 Categories***
  - *Best Professionally Managed Company……EIL*
  - *Industry Doyen ……………………….……...C&MD*
  - *Outstanding Public Officer ………..……….Director - Commercial ,*
  - *Best Project in oil & gas………… …………BINA Refinery of BORL*
  - *Best Project in oil & gas……………………...Panipat Naphtha Cracker Project of IOCL*

- ***PMI India award for best project for BINA Refinery of BORL***

Financial Performance

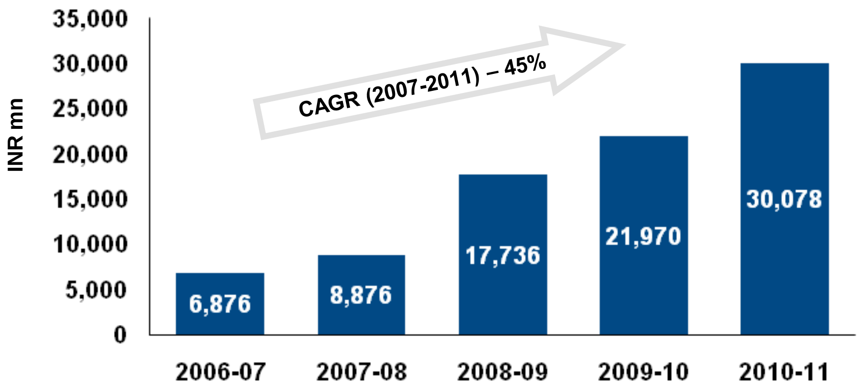




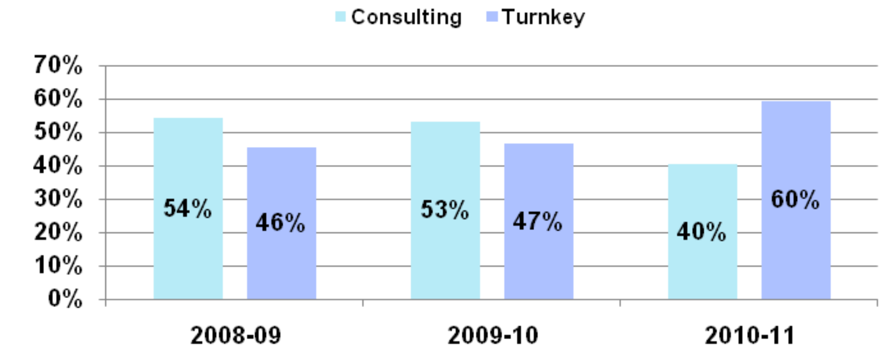



Financial and Operating Track Record

Total Income and Growth (INR mn)*

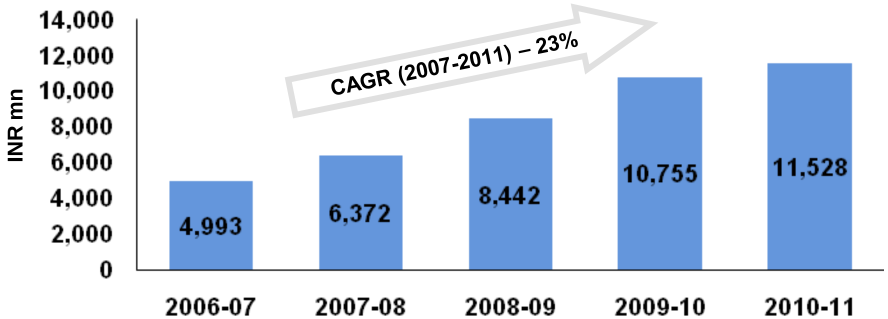


Revenue Segmentation**

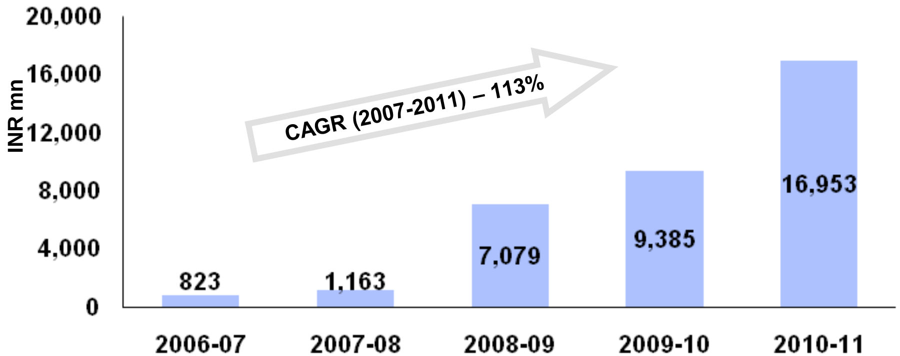


** Revenue does not include Other Income

Consultancy & Engineering Revenue (INR mn)*



Lumpsum Turnkey Projects Revenue (INR mn)*

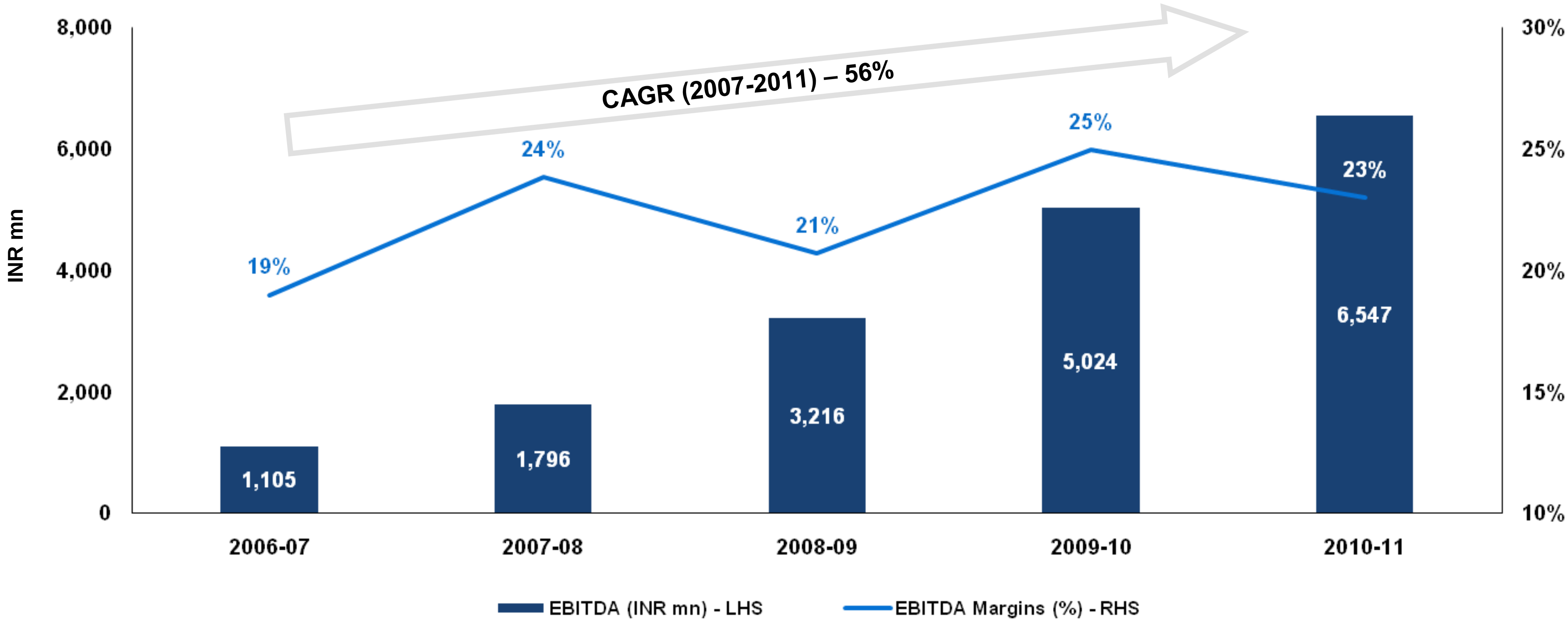


* Note: All figures have been taken on a consolidated basis

- Robust and consistent financial performance
- Highest Ever Turnover. 5 Year Revenue growth at CAGR of over 45%.

Financial and Operating Track Record (contd.)

Robust EBITDA Performance (INR mn)***



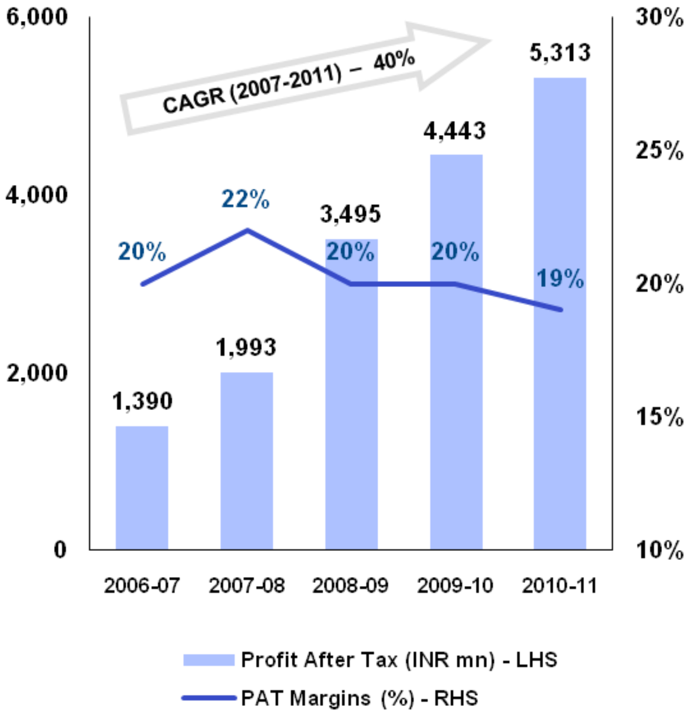
* Note: All figures have been taken on a consolidated basis

** EBITDA: Earnings Before Interest, Tax, Depreciation and Amortization (does not include Other Income)

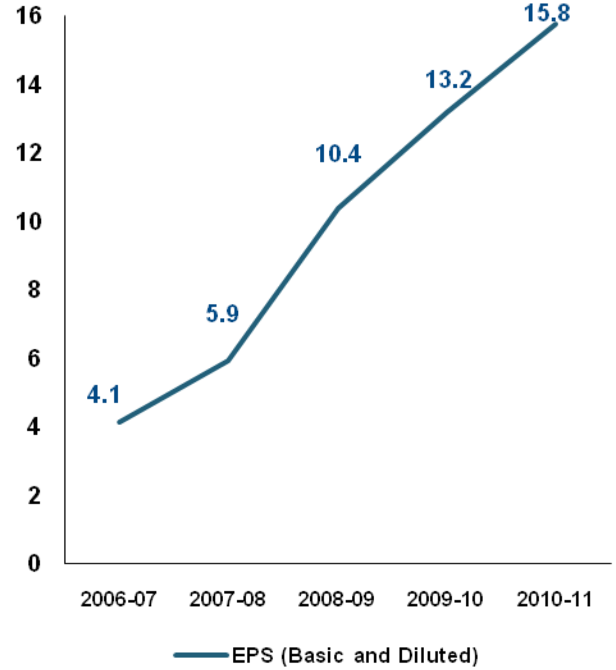
EBITDA growing at CAGR of over 56% during FY07-FY11

Financial and Operating Track Record (contd.)

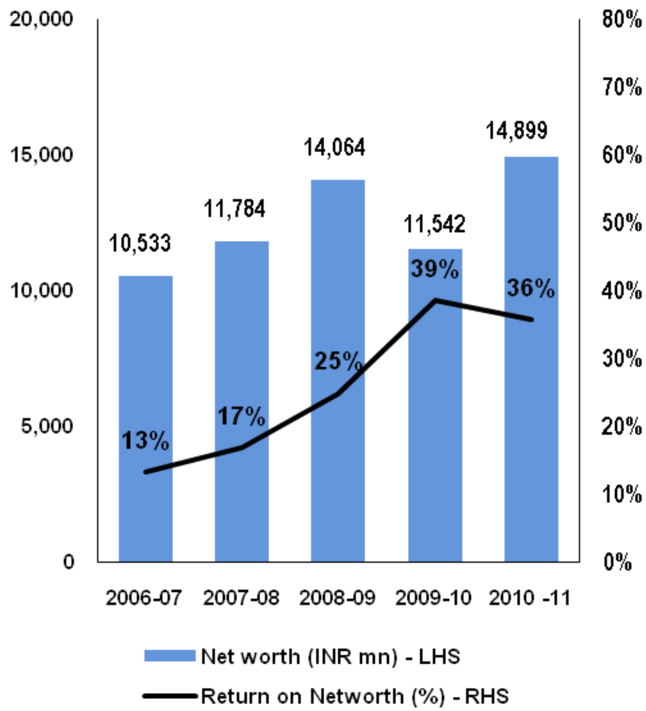
Profitability (INR mn)*



Earnings per Share – EPS (INR)*



Return on Net Worth (%)

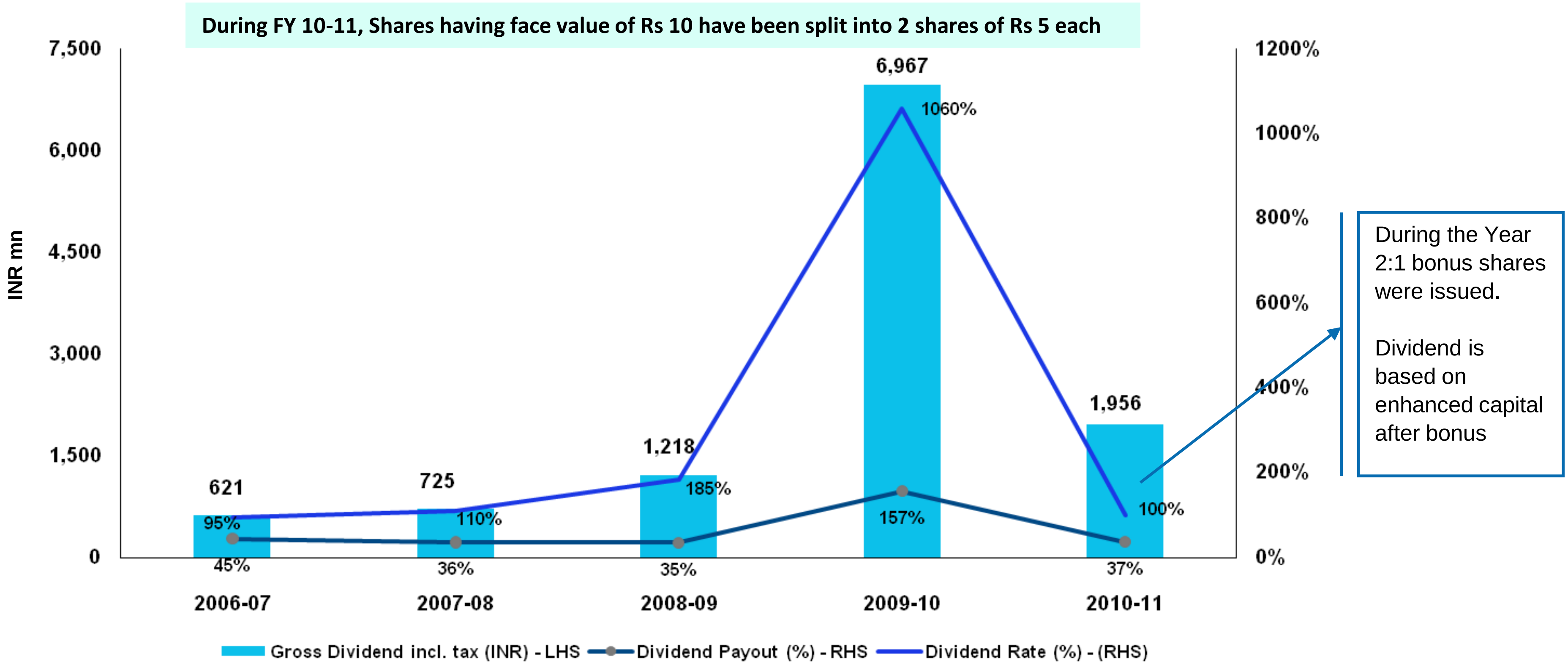


* Note: All figures have been taken on a consolidated basis

- Highest ever Profit. Profitability growing at CAGR of 40% during FY07-FY11
- Consistently delivering increasing returns to shareholders

Financial and Operating Track Record (contd.)

Dividend Distribution (INR mn)*

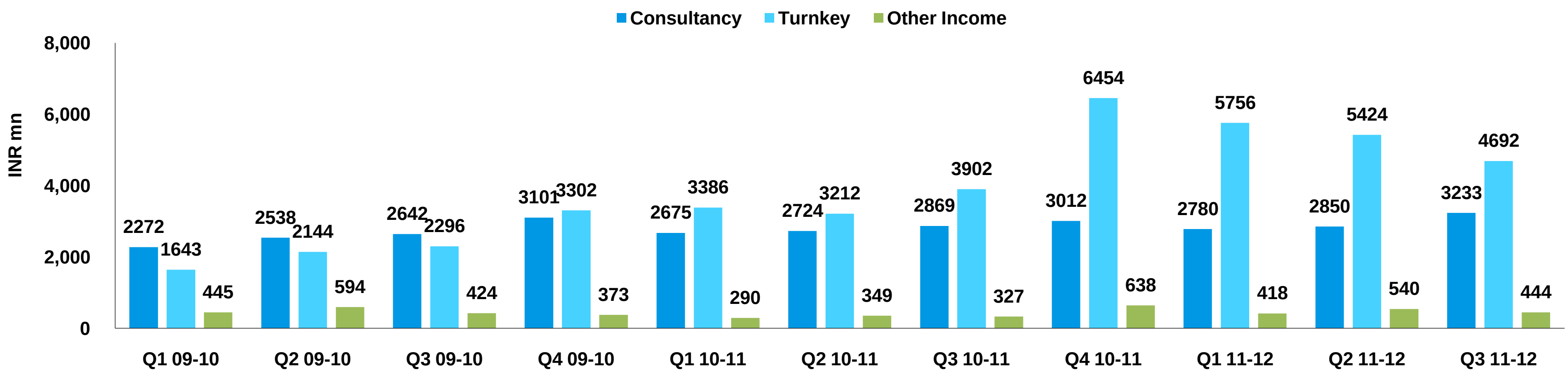


* Note: All figures have been taken on a consolidated basis
Dividend Payout calculated as a percentage of Profit After Tax (PAT)
Dividend Rate calculated using net dividend (excluding dividend tax):

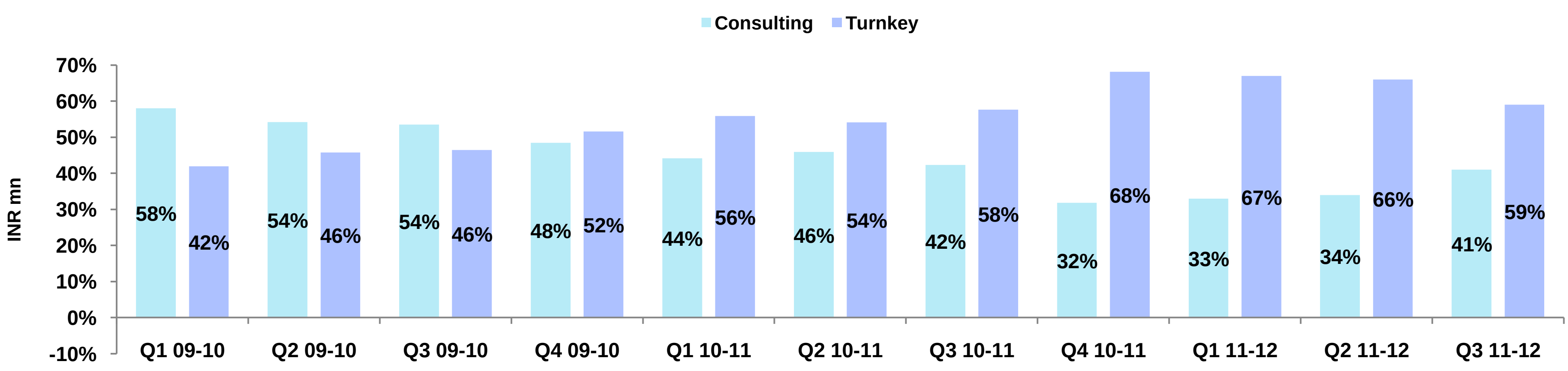
- **Balance Sheet: Cash of over INR 21 billion with no debt on a consolidated balance sheet basis**
- **Consistent Dividend Track Record**

Financial and Operating Track Record – Quarterly Basis

Total Income



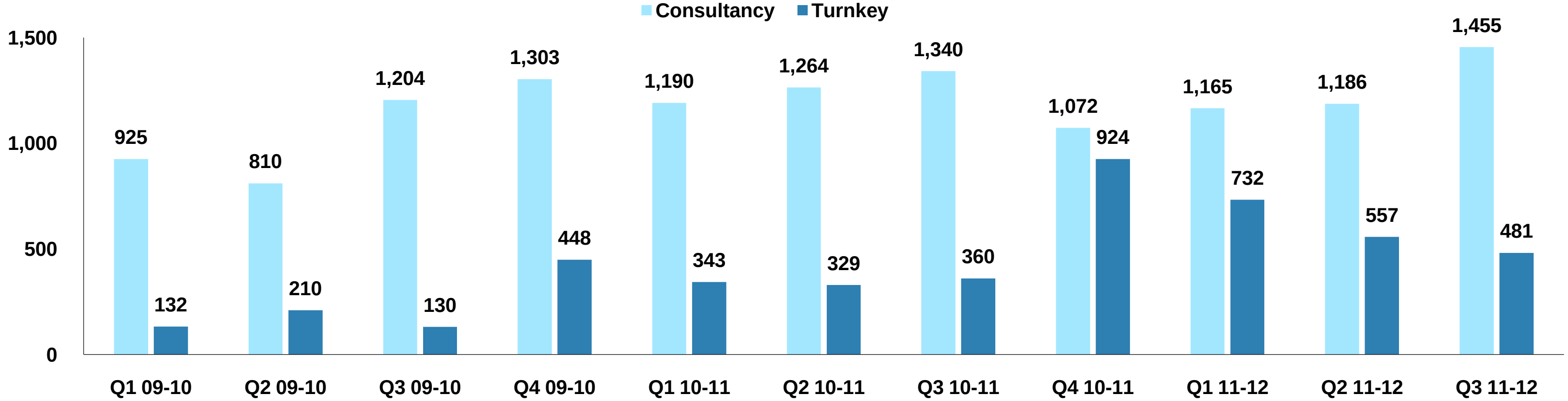
Revenue Mix (Consultancy Vs Turnkey)



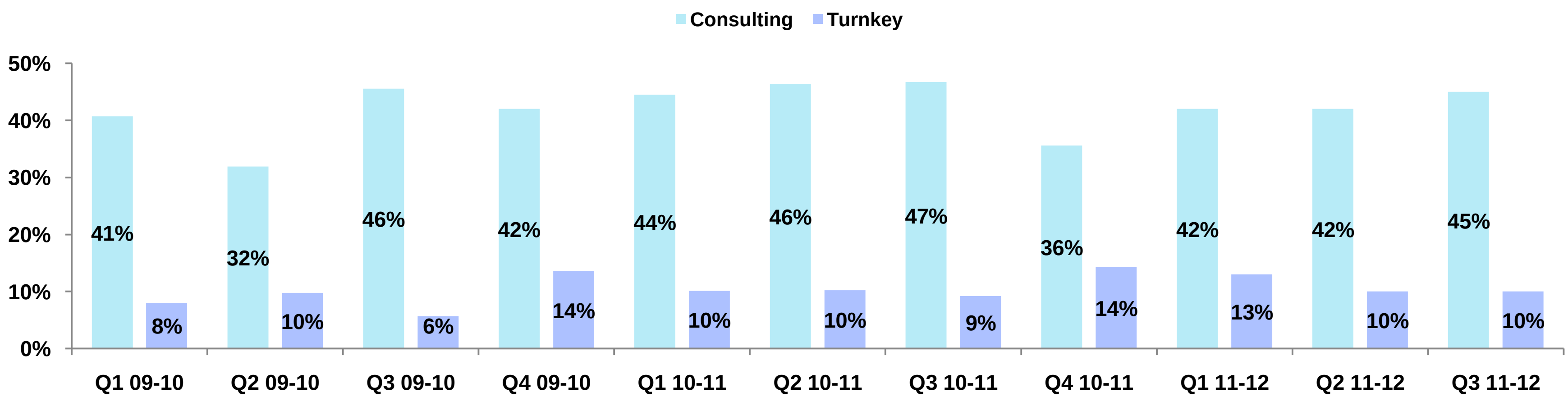
Note: All figures have been taken on a standalone for EIL

Financial and Operating Track Record – Quarterly Basis

Segment Wise EBIDTA



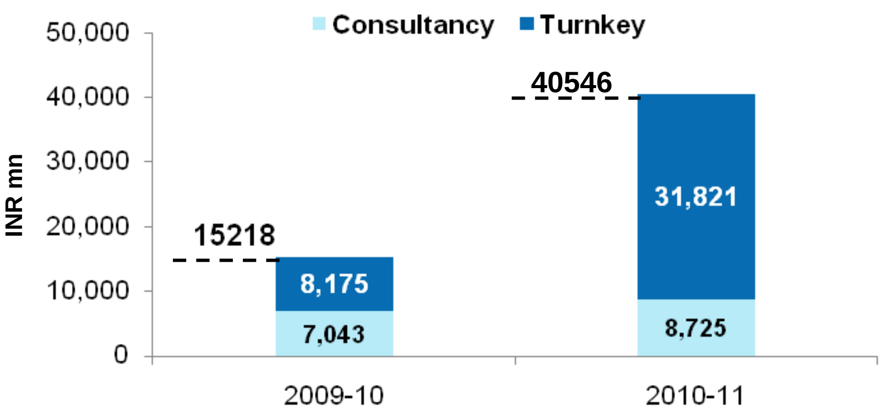
EBIDTA Mix (Consultancy Vs Turnkey)

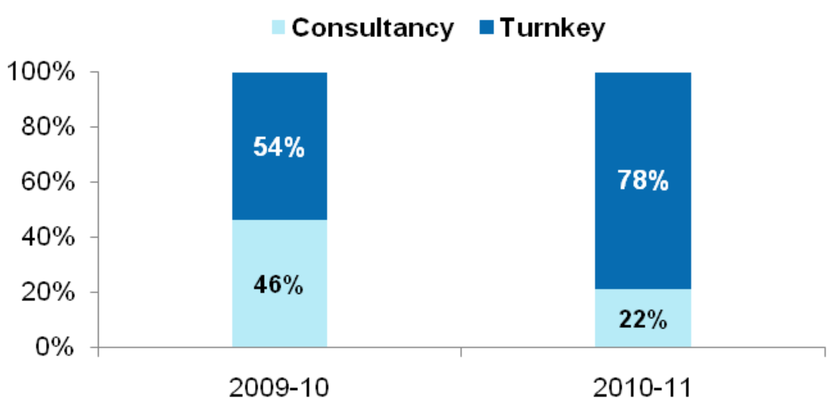


Note: All figures have been taken on a standalone for EIL

Orders Inflows and Order Book Position

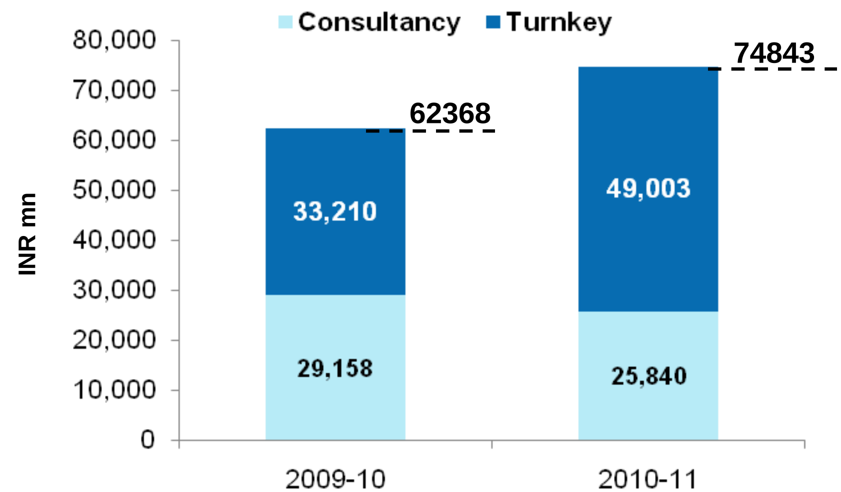
Order Inflows for 2010 -11 (INR Mn)*

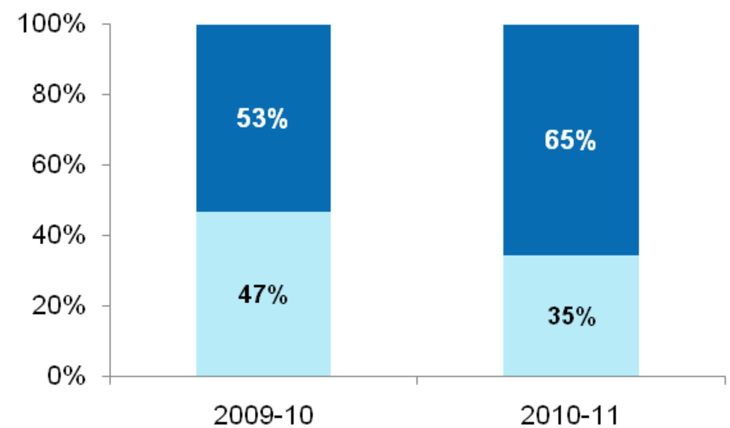




Note:
- All figures have been taken on standalone basis
- Order books are subject to miscellaneous adjustments

Order Book Position (INR Mn) & Order Mix*





Significant order inflows and book position securing visibility for next 2 years

Salient Orders Secured (FY 10-11)

TUURNKEY	**LSTK and OBE contracts convertible to LSTK**	
	ONGC MRPL	• SPM , Pipeline and Related Facilities for MRPL, Mangalore . This project is part of MRPL's Phase-III Expansion Project, which was awarded to the Company on OBE basis.
	IndianOil	• SPM, Pipeline and Jetty Facilities for IOCL Paradip Refinery on Cost Plus Basis.
	GSPC	• Onshore Gas Terminal at Kakinada for GSPC. EIL's scope is OBE (Turnkey)
CONSULTANCY	**Fixed price contracts**	
	IndianOil	• Butadiene Extraction Project at Panipat . EIL's scope is EPCM services
	JAYPEE GROUP	• Brown Field Fertilizer Plant at Panki, Kanpur for Jai Prakash Associates Limited
	ONGC	• Hazira-OPaL, Dahej Naphtha Feed Pipeline Project of ONGC. EIL's scope is PMC Services.
	AADHAAR	• Data Centre of UIDAI at Delhi and Bengaluru for Unique Identification Authority of India (UIADI). EIL's scope is PMC services • Rajiv Gandhi Institute of Petroleum Technology (RGIPT). EIL's scope is PMC services
	NRL	• Wax unit of NRL. EIL's scope is EPCM services
	Cost / rate reimbursable contracts	
	GAIL	• Petrochemical expansion project at GAIL Vijaipur and GAIL Pata Plants. EIL's role is EPCM services on cost reimbursable basis.
	ONGC	• Additional Gas Processing Facilities at Hazira for ONGC. EIL's scope is PMC Services.
	PETRONET LNG LIMITED	• Standby LNG Jetty for Petronet . EIL's scope is PMC services

Highlights for 3Q (FY:11-12)

Quarterly Results Summary - 3Q (FY:11-12)

(Values in INR Mn)

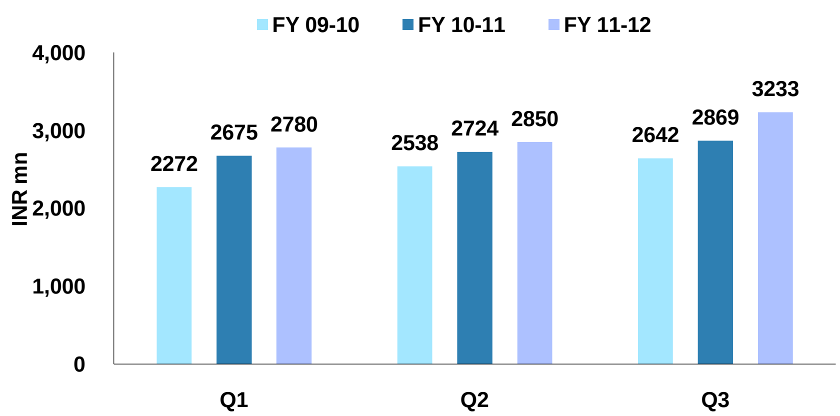
Q3 / FY 11-12	3rd Quarter Ended *			Nine Monthly Ended *		
	31-Dec-11	31-Dec-10	% change	11-12	10-11	% change
TOTAL TURNOVER	7924.96	6770.99	17%	24735.15	18767.49	32%
OPERATING PROFIT	1794.29	1532.50	17%	5160.93	4392.22	18%
OTHER INCOME	444.34	327.09	36%	1401.67	965.43	45%
PBT	2238.62	1859.57	20%	6562.60	5357.62	22%
PAT	1512.60	1224.53	24%	4459.79	3569.52	25%
EPS	4.49	3.63	24%	13.24	10.59	25%

* Note: All figures have been taken on standalone basis for EIL

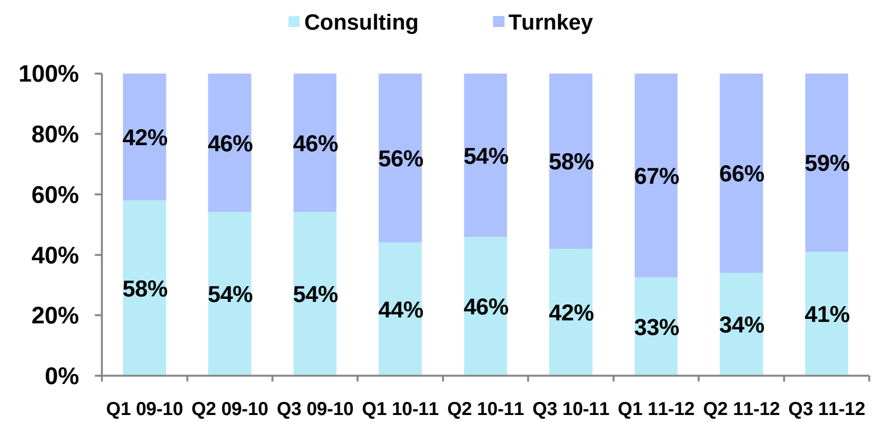
- Robust and consistent financial performance
- Turnover and Profitability growth momentum continues for FY 11-12
- Cash Balance of over INR 21 billion with no Debt

Quarterly Performance - 3Q (FY:11-12)

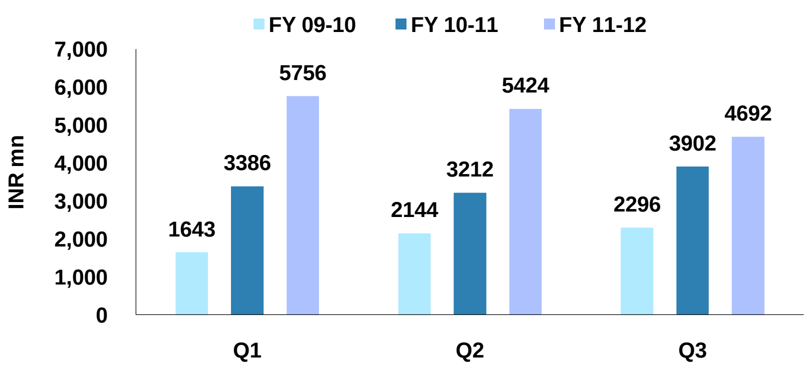
Turnover - Consultancy



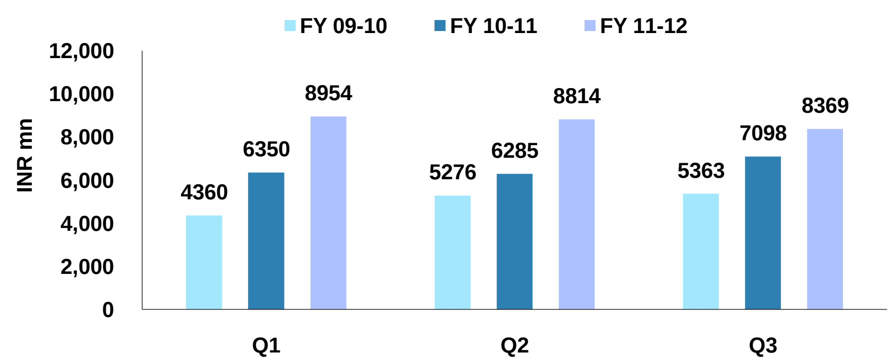
Turnover Mix (Consultancy Vs Turnkey)



Turnover – Turnkey



Total Income

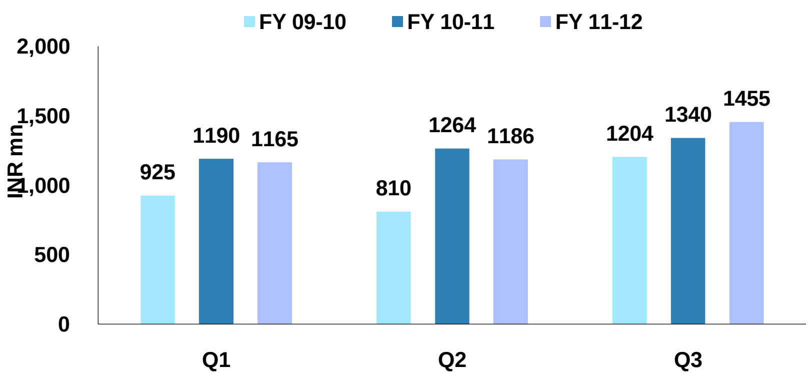


Note: All figures have been taken on standalone basis for EIL

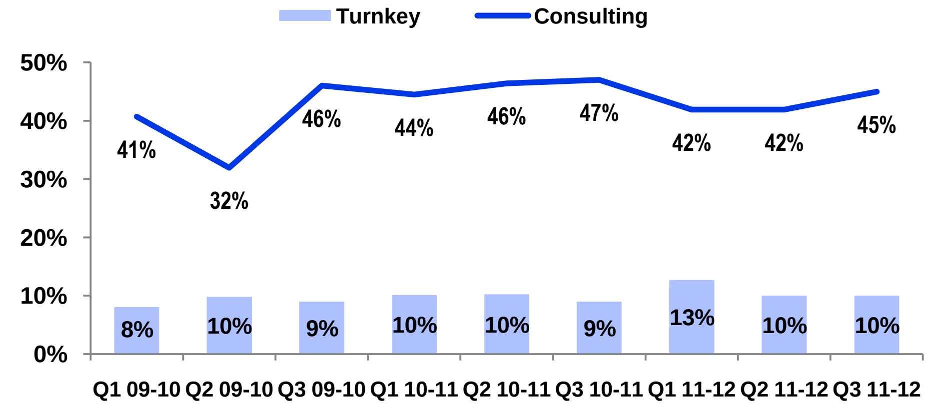
Quarter to Quarter growth sustained

Quarterly Performance - 3Q (FY:11-12)

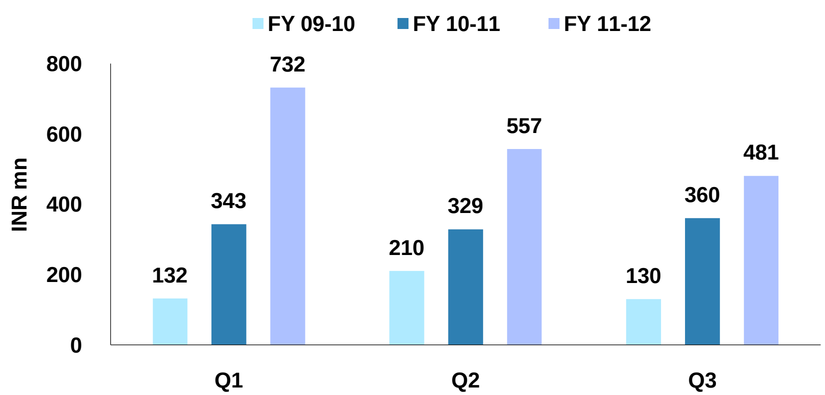
Segment Profit - Consultancy



Segment Profit %



Segment Profit - Turnkey



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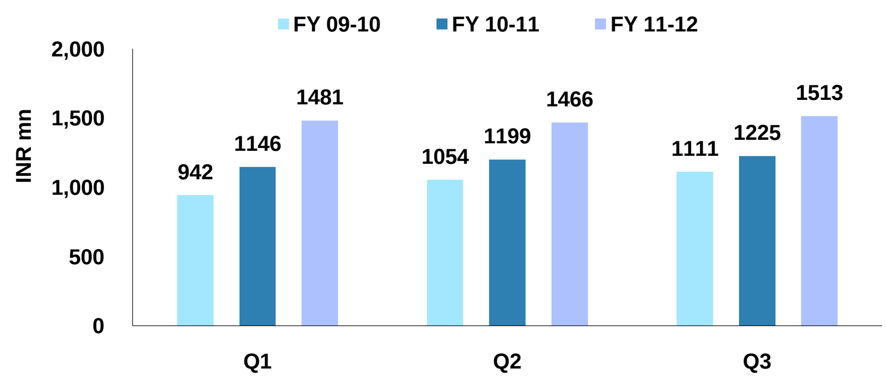
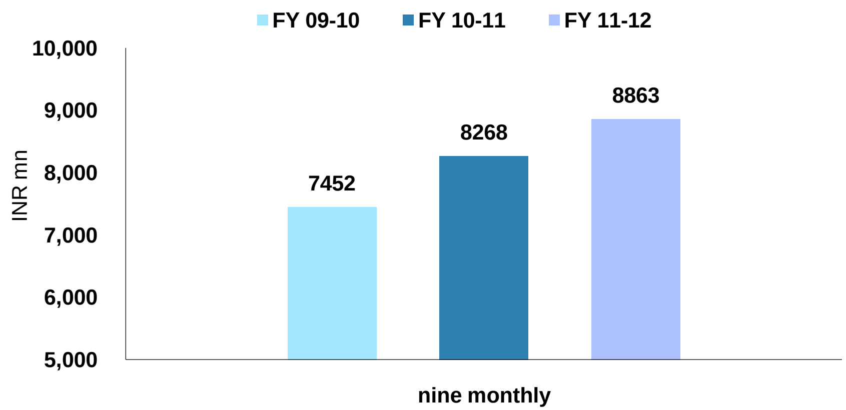


Note: All figures have been taken on a standalone for EIL

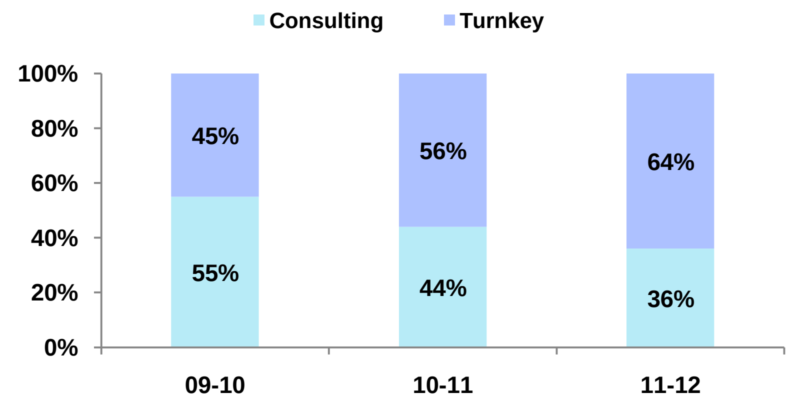
Endeavour to improve the margins with internal efficiencies from effective resource utilization and turnkey project management

Nine Monthly Performance - 3Q (FY:11-12)

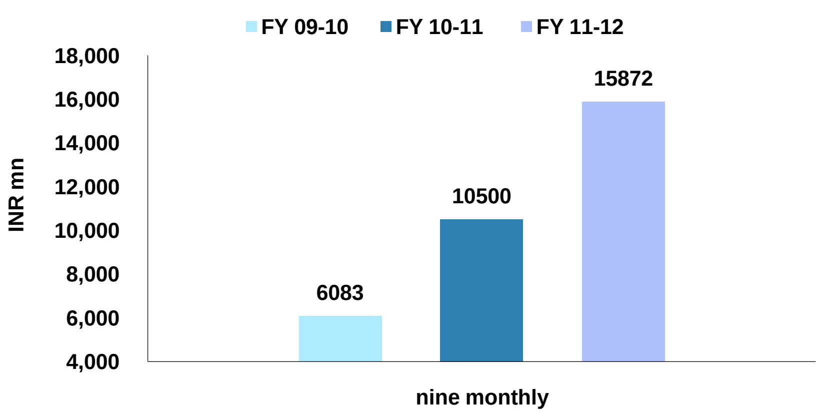
Turnover - Consultancy



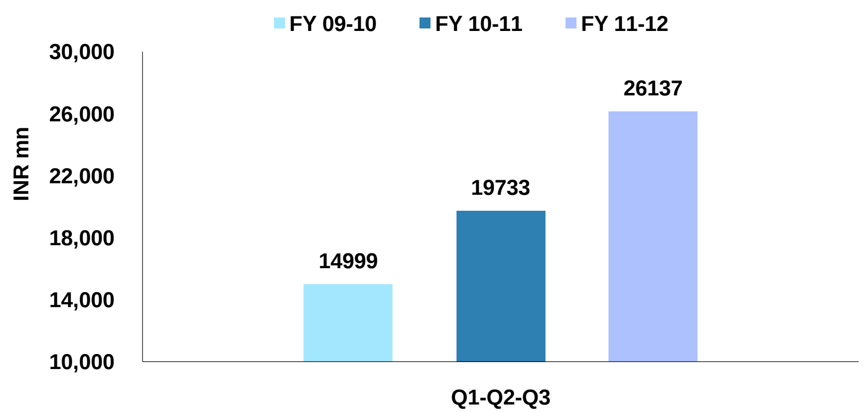
Turnover Mix (Consultancy Vs Turnkey)



Turnover – Turnkey



Total Income

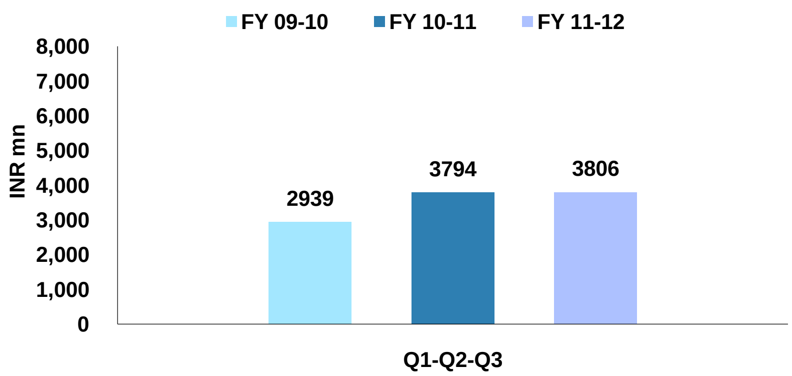


Note: All figures have been taken on standalone basis for EIL

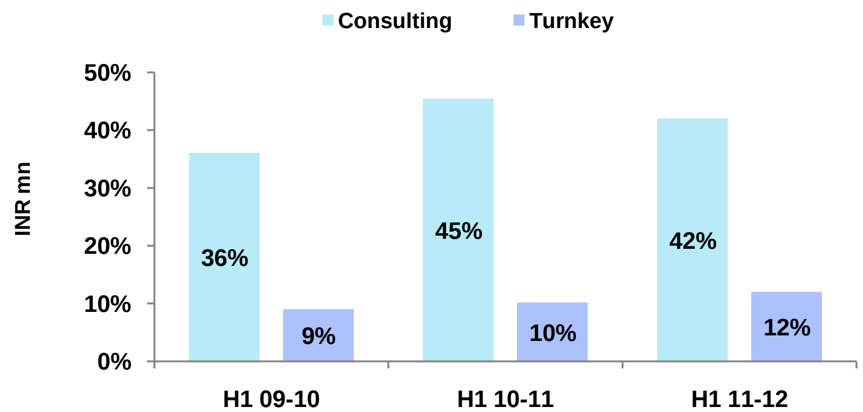
Quarter to Quarter growth sustained

Nine Monthly Performance - 3Q (FY:11-12)

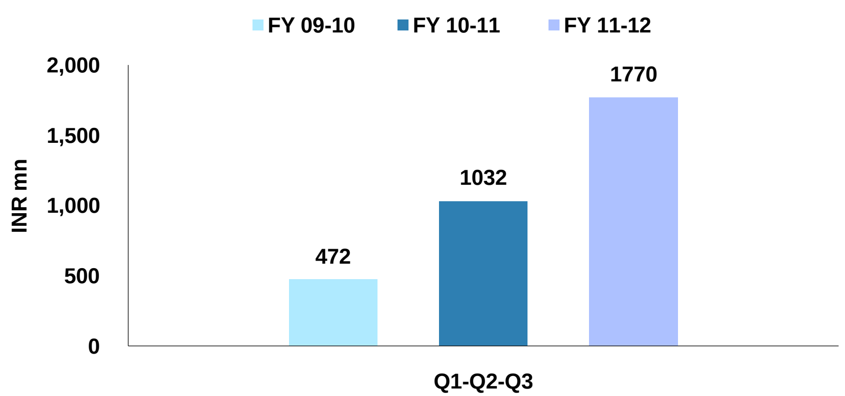
Segment Profit - Consultancy



Segment Profit %



Segment Profit - Turnkey



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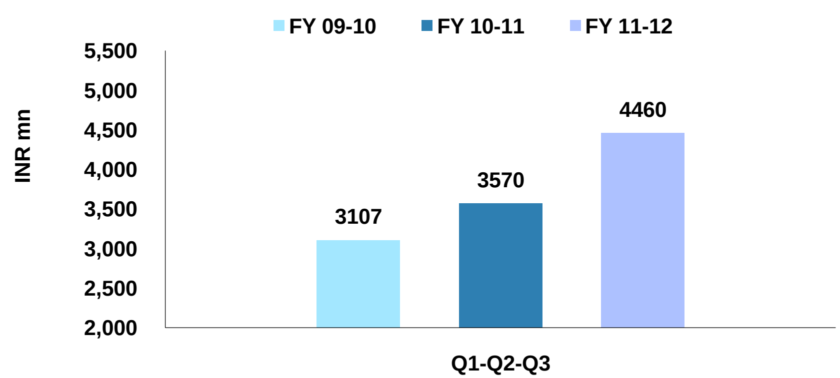


Note: All figures have been taken on a standalone for EIL

Endeavour to improve the margins with internal efficiencies from effective resource utilization and turnkey project management

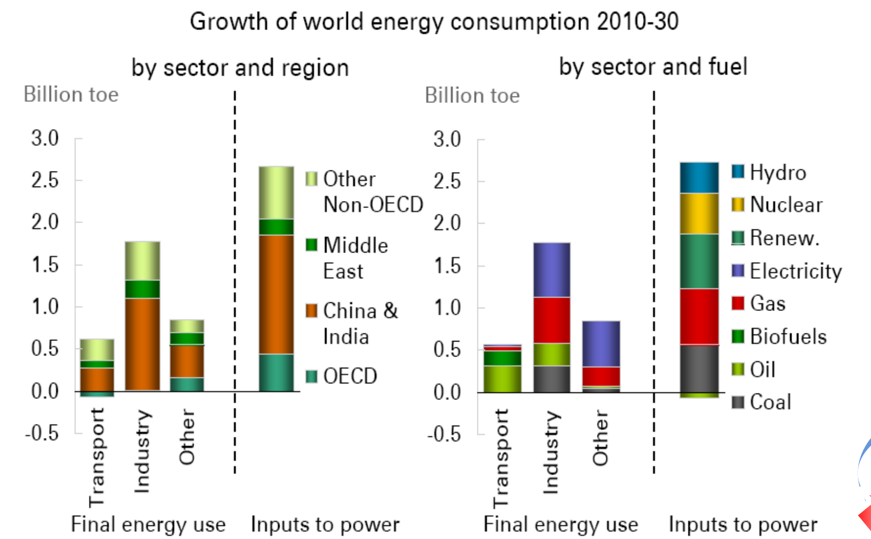
Business Outlook





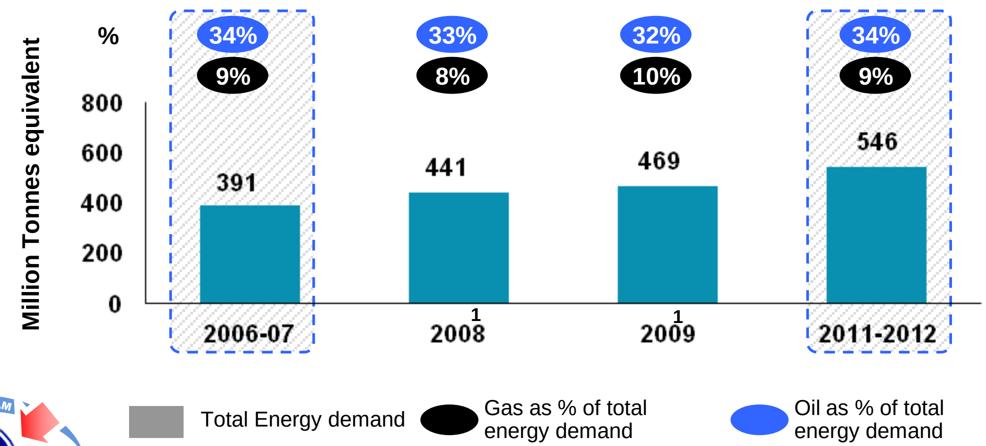
Energy and Hydrocarbons

Asia Pacific - Major Contributor to Energy Demand Growth



Source: BP Energy Outlook 2030

Significant portion of total energy consumption continues to be on account of oil and gas

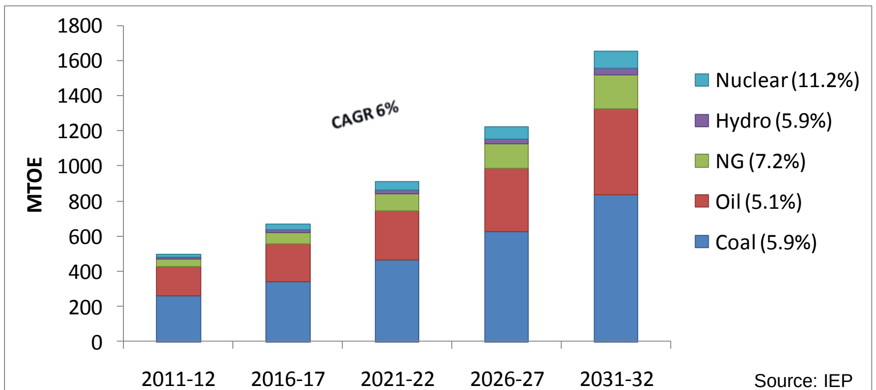


[1]Figures mentioned are as at 31st December

Source: BP Statistical Review of World Energy (2010)

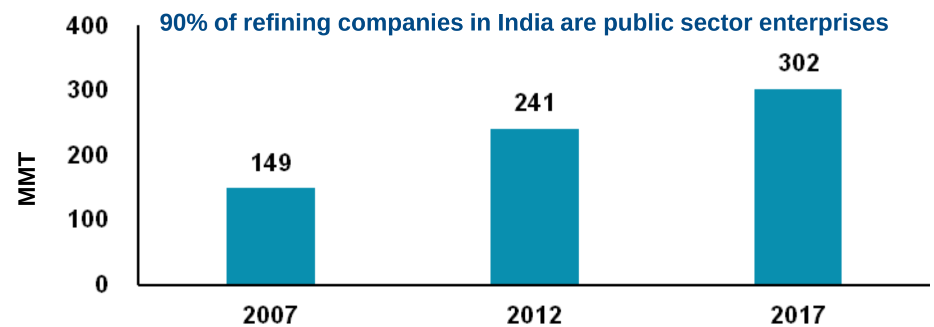
Planning Commission Eleventh Five Year Plan Report (2007–2012)

Projected Primary Energy to Grow



Source: IEP

Refining: Capacity upgrades and additions set to continue



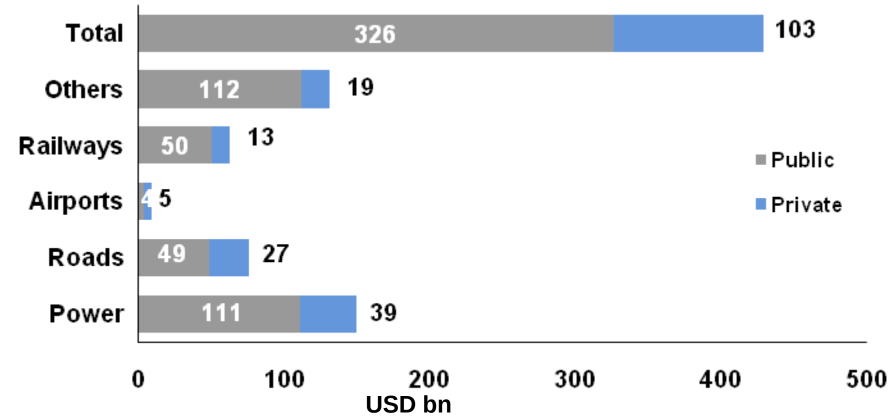
Source: Report of the Working Group on Petroleum and Natural Gas for Eleventh Five Year Plan (2007-12), Planning Commission, Government of India

Infrastructure, Chemicals and Non Ferrous Metallurgy

Planned Infrastructure Expenditure

- ☑ Approx INR 42 lakh crores Projected investment in infrastructure in X11 Plan including 1.73 lakh crores in Water Supply and Sanitation.
- ☑ Waste Water and Solid Waste Management for State Governments and City Municipalities
- ☑ National Master Plan targets for 2600 MW Energy from Waste by 2017

Planned Infrastructure Expenditure (Public & Pvt. sector) (USD bn)



Source: Planning Commission Eleventh Five Year Plan Report (2007–2012), Projections of investments during the Eleventh Plan; Others include irrigation, water supply and sanitation, ports, storage and gas

Oil and Gas Infrastructure Expenditure

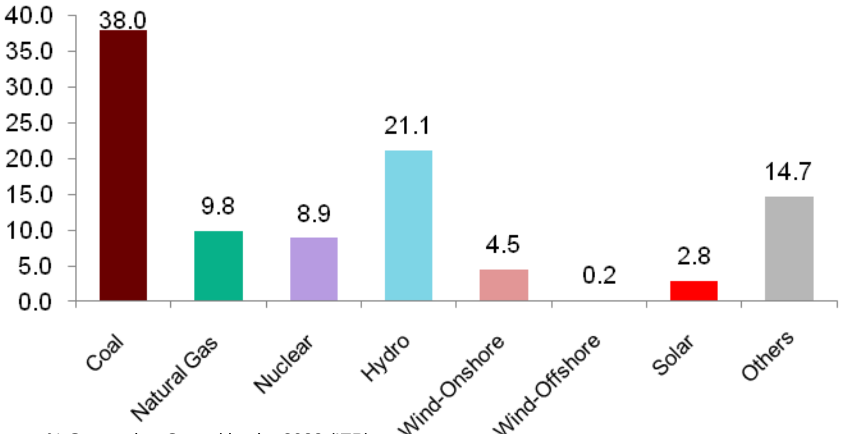
- ☑ City Gas infrastructure in approx. 200 GAs in next 5 to 7 Years and creation of Pipeline Infrastructure throughout the country.
- ☑ SBM, Terminals, Pipelines for crude, LNG and Product Transfers.
- ☑ Expansion of Strategic Storage Reserves for Energy Security from 5 Million ton to 10 Million ton in next 5-7 years.
- ☑ LNG terminals and gasification facilities for meeting gas demandfor Power, Fertilizer and City Gas

Growth prospects in Chemicals and Non Ferrous Metallurgy

- ☑ Capacity Augmentation in Urea, Ammonia and Phosphatic Fertilizers
- ☑ Thrust on conversion of all functional Naphtha and FO/ LSHS based units to NG / RLNG
- ☑ 9 million ton capacity addition of Alumina planned by year 2017
- ☑ Concerns on Gas Pricing Policy , gas availability and Priorities in gas allocation

Power and Renewable

Contribution of Renewable Grows Steadily

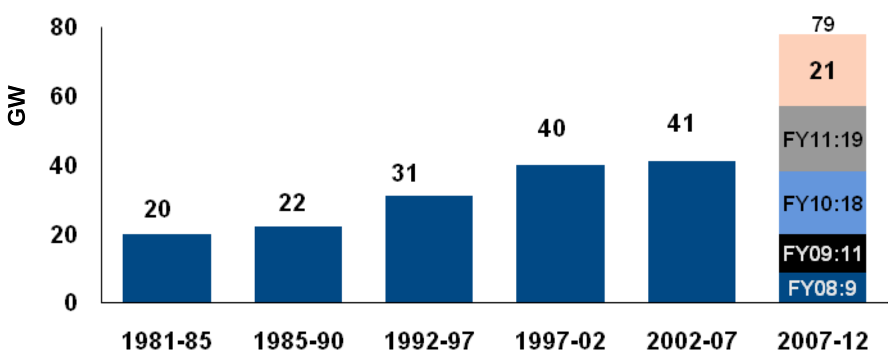


% Generation Capacities by 2032 (IEP)

Emerging Technologies with growth potential

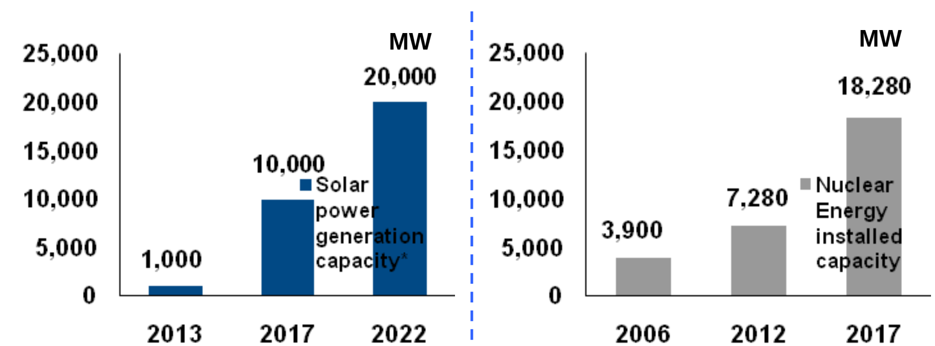
- ☑ CBM, Gas Hydrates, Underground Coal Gasification, CTL, Bio-fuels, Oil Shale
- ☑ Hydrogen as clean Fuel and other alternate fuels
- ☑ Advanced coal technologies (IGCC, CTL, CCS),
- ☑ Ultra super critical technologies,
- ☑ Energy storage systems, Polysilicon and LEDs,
- ☑ EVs and Hybrid electric vehicles

Power Plan 2012: Major Capacity Additions (GW)



Source: Ministry of Power, GOI

Greater focus on New and Renewable Energy space



* Grid-connected

Source: Planning Commission Eleventh Five Year Plan Report (2007–2012)
Ministry of New and Renewable Energy's Annual Report 2009-2010

Strategic Direction

Growth Plans

Road map to become a world class globally competitive total EPC and total solutions company

Maintain leadership

- Continue focus on core
- Pursue EPC contracts
- Maintain leadership position in the hydrocarbon industry
- Bid for large scale projects

Expand operations

- Identify new Markets such as Middle East, Africa, South East Asia and Latin America
- Identify new business Models in existing markets such as OBE

Selectively diversify

- Leverage track record for related diversification
- Target specific project segments and industries where EIL has a competitive advantage

Focus on Technology and Alliances

- Tech. and knowlegde development
- Strategic alliances for diversification
- JVs and consortium for EPC and overseas
- Long term relationships / MOUs with clients

Diversification Plans

Water and Waste Management

- Water desalination and treatment
- River front development projects
- Waste and waste to Energy
- Target municipal and industrial projects
- Integrated water management solutions

City Gas Distribution

- Pursue strategic city gas distribution projects
- Strategic partnerships
- Build expertise

Power

- EPC for balance of plant
- PMC services for large power projects
- Owner's consultant for solar & nuclear power plants
- Captive steam and power plants

Gas based fertilizer projects

- Gas-based fertilizer projects in India and internationally
- Explore EPC opportunities
- Revival of closed fertilizer plants in India

Tapping other Energy Sources

- Target consultancy for coal-to-liquid, Coal Bed Methane, Shale Gas projects
- Development for Syngas clean up and FT technology through setting up of a pilot coal gasification plant

Forging Strategic Alliances for Competency Development and Client Relationship

Growth Drivers

Robust Business Model Suitable for Related Diversification

Key Drivers

EIL's business model

Execution capabilities with track record

- Has worked on major projects, including several landmark assignments
- Established brand through extensive engineering and project execution work in hydrocarbon space

Technology focus driven by R&D

- Dedicated R&D Centre to keep up to date with latest technology and processes
- Holds 12 patents with 16 pending patent applications for various process technologies and hardware

Integrated EPC and project management capabilities

- Leverages such capabilities and knowledge to better evaluate potential projects and assess project risks
- May utilize such knowledge to undertake projects in non-core sectors

Qualified and Motivated Employee base

- Deploys its skilled resource pool across sectors for optimum project results

Sectors for deploying EIL's business model

- Mining & Metallurgy
- Infrastructure (Construction)
- Water Management
- Fertilizers (gas-based)
- Nuclear
- Solar
- City Gas Distribution

Flexible business model that may be replicated across different sectors

Way Forward

1. Maintain Leadership Position in Core Areas
2. Internationalization
3. Selective Diversification in High Growth Areas
4. Technology Based Initiatives
5. Strategic Partnerships

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