Engineers India Limited

December 08, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	121.50 (Enhanced from 120.00)	CARE AAA; Stable	Reaffirmed
Long-term / Short-term bank facilities	1,772.50 (Reduced from 1,774.00)	CARE AAA; Stable / CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation in ratings assigned to bank facilities of Engineers India Limited (EIL) continues to derive strength from majority ownership of the Government of India (GoI) and long track record of operations reflected by over five decades of experience in consultancy and engineering (C&E) segment. Ratings also derive strength from experienced and professionally qualified management and the company's dominant position in the field of C&E services in the oil and gas segment with proven designing and engineering expertise.

Ratings also factor in EIL's strong orderbook position with orders in hand of ₹13,131 crore as on September 30, 2025. The company is a renowned engineering entity specialising in the oil & gas segment, which contributes ~80% to 90% of order book on an average. While there been order book diversification with the proportion of oil and gas projects reducing to 78% (as on September 2025) from 95% as on September 30, 2024, dominance of the sector is expected to continue. The company has taken up orders in segments such as energy-efficient infrastructure, high-end data centres, laboratories and academic complexes. Majority projects are for strong Government entities (domestic and overseas), which also supports the credit profile.

Ratings also factor in satisfactory financial performance in FY25 (refers to period April 01 to March 31) with revenue of ₹3092 crore (₹3,284 crore in FY24) and profit before interest, lease rentals, depreciation and taxation (PBILDT) margin of 17.03% (FY24: 9.46%). Performance in H1FY26 saw a significant improvement with revenue growth of 36% and PBILDT margin being comfortable at 11%. Profit after taxation (PAT) lowered in H1FY26 due to losses from joint venture Ramagundam Fertilizers and & Chemicals Limited (RFCL), which faced a 90-day shutdown. However, overall performance continues to remain satisfactory. This apart, ratings derive strength from robust financial position, strong financial flexibility, and comfortable liquidity position characterised by a healthy cash and bank balance. CARE Ratings Limited (CareEdge Ratings) anticipates the strong financial profile to continue going forward with nil term debt repayments or sizable capital expenditure (capex)/investment planned and favourable industry outlook supporting business growth. EIL does not have firm investment commitments in the medium term however, material increase in investments resulting in significant depletion of cash reserves would be a key monitorable.

The company's future growth prospects are linked to capital expenditure plans in the oil & gas segment and revenue profile might get impacted in a scenario of lower-than-planned growth of this segment. Hence, the ability to continue to diversify the order book shall be important.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Not applicable

Negative factors

- Material reduction in majority sovereign ownership and/or control.
- Significantly declining order book thus adversely impacting the revenue visibility.
- Significantly depleting cash reserve of the company.

Analytical approach: Consolidated

CareEdge Ratings has followed a consolidated view of EIL, as there exists business, financial, and management linkages with the subsidiaries. Ratings also factor EIL's strategic importance to the GoI and its significant role for the Indian oil and gas and petrochemicals sector. Companies consolidated are listed under Annexure-6.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Outlook: Stable

The stable outlook reflects expectation of the company's continued dominant market position, satisfactory order book position providing revenue visibility for the medium term and expectation of continued satisfactory profit margins, and strong liquidity position.

Detailed description of key rating drivers:

Key strengths

Majority ownership of GoI and experienced management

EIL is a Central Public Sector Enterprise (CPSE) with majority ownership (51.32% shareholding as on March 31, 2025) of GoI operating under the administrative control of Ministry of Petroleum and Natural Gas (MoPNG). The company enjoys 'Navratna' status, a status aimed at facilitating expansion of CPSE's operations in domestic and global markets. Development of infrastructure assets in oil and gas and petrochemicals fields is of national importance, and hence, EIL as an engineering partner has an important functional role. The company's board includes representatives of GoI as Nominee Directors. GoI appoints executive and non-executive directors.

EIL has a strong management team and employs a workforce of 2,700 experienced professionals and technical personnel. The senior management (including the functional directors) has over three decades of experience across fields such as projects, process design, technology, marketing, finance, legal, and HR. The company's affairs are overseen by Vartika Shukla, Chairperson & Managing Director.

Dominant position in C&E services with proven designing and engineering expertise

EIL has over five decades of experience in C&E services across sectors, especially in hydrocarbon space with significant track record across the entire oil and gas value chain. The company has a research & development (R&D) centre at Gurgaon and has developed over 40 process technologies for oil and gas processing, refineries and petrochemical industries EIL holds 46 live patents for such process technologies and patents for another 63 technologies are pending as on March 31, 2025. Its experience on landmark projects over five decades and a technical staff of 2,700 employees give the company an edge in the hydrocarbon space, evidenced by the fact that 20 of 23 petroleum refineries in India have EIL footprints. EIL has installed 10 of the 11 mega petrochemical complexes in India and engineered 10 grass root refineries. Over the years, the company has strategically diversified its operations into strategic crude oil storage, waste and wastewater management segment, fertilizer, nonferrous metallurgy, ports, nuclear and LNG segment, and underground caverns for storages.

Strong orderbook position with reputed clientele

EIL had an outstanding orderbook of ₹13,131 crore as on September 30, 2025, up from ₹11,155 crore as on September 30, 2024, which translates to 4.25x the total operating income (TOI) for FY25 providing a strong revenue visibility. The company's order book comprises ₹6,786 crore in the consultancy segment and ₹5,446 crore in the turnkey segment as on September 30, 2025. In FY25 and H1FY26, EIL recorded an order inflow amounting to ₹8,214 crore (turnkey: ₹3,638 crore, consultancy: ₹4,576 crore) and ₹3,764 crore (turnkey: ₹1,765 crore, consultancy: ₹1,999 crore), respectively. The concentration of the oil and gas segment declined to 78% from 95% between September 2024 and September 2025. The company has taken up orders in segments such as energy-efficient infrastructure, high-end data centres, laboratories and academic complexes, which account for ~35% of orders secured in H1FY26. However, oil & gas segment is expected to continue remain the major focus area.

Several decades of operating in the C&E space and its parentage provides EIL with substantial technical credentials, making it better placed for qualifying for future bids of domestic oil & gas public sector undertakings (PSUs) and their joint ventures (JVs). These beneficiaries have sound financial risk profile, and hence, have a comfortable and more predictable payment pattern, leading to acceptable level of receivables for EIL. Apart from significant presence across India, EIL has leveraged its strong track record in the Indian hydrocarbon sector to successfully expand its international operations to provide C&E services.

Satisfactory financial performance in FY25 and H1FY26

EIL reported consolidated operating revenue of ₹3,092 crore in FY25 (₹3,284 crore in FY24), reflecting a 5.85% decline because of near completion of major turnkey projects and nascent stages of new awards. Consultancy revenue improved, contributing 54% of total revenue (FY24: 45%), while turnkey accounted for the balance. Despite the shift in mix, segment profitability rose, driving PBILDT margin up by 757 bps to 17.03% (FY24: 9.46%), aided by approval of additional scope on past turnkey works and reversal of provisions. PAT margin also improved to 18.75% (FY24: 13.56%).

In H1FY26, TOI grew 36% to ₹1,792 crore (H1FY25: ₹1,313 crore) on revenue recognition from new contracts. PBILDT margin stood at 11%, while PAT margin fell to 8% due to JV losses of ₹32.94 crore, primarily from RFCL (26% stake), which faced a 90-day shutdown. However, from Q3FY26, RFCL is expected to return to its normal profit run-rate.

Robust financial position
EIL has a sound financial position with robust capital structure backed by significant net worth build-up over the years and negligible debt levels. EIL does not have external debt in the books except lease liabilities and mobilisation advances. Total outside liabilities to net worth (TOL/TNW) stood at 0.78x as on March 31, 2025 (PY: 0.96x). Requirement for fund-based lines has been low as internal accruals have been sufficient to fund operations. Going forward, with new segmental forays, the impact on the capital structure regarding working capital finance shall remain a key monitorable.

Favourable industry growth prospects
Global oil demand is expected to reach 112.3 million barrels per day (mb/d) by 2029, an increase of 10.1 mb/d compared to 2023, while global liquid fuels production is set to rise steadily through 2026, and India is emerging as a major long-term growth driver, adding 8 mb/d to its oil demand by 2050 amid rising investments in exploration, refining expansion, petrochemical integration, and renewables.

The sector is increasingly embracing sustainability through bio-refineries, compressed biogas (CBG), sustainable aviation fuel (SAF), ethanol blending targeting 20% by 2025, and green hydrogen and carbon capture. Petrochemical demand continues to grow globally, with India poised for significant expansion as its chemical industry, currently valued at US$170-180 billion, is projected to reach US$800 billion by 2040 and petrochemical capacity is set to rise from 29.62 million tonne (MMT) to 46 MMT by 2030, supported by emerging crude-to-chemicals technologies.

Favourable developments in the segment augur well for EIL's growth.

Liquidity: Strong
EIL's liquidity position continues to be strong as reflected by its healthy cash and bank balances, short operating cycle, and nil external debt. The company receives payments for work done in an average of 2-3 months and the entire working capital requirement is funded through accruals and liquid funds available. EIL at standalone level had cash & liquid funds (in the form of FD and mutual fund) of ₹1,115 crore as on September 30, 2025.

Key weaknesses
Concentrated order book
Under the administrative control of MoPNG, EIL majorly undertakes engineering work for the hydrocarbons and petrochemicals segment, and hence, the order book continues to be concentrated with 78% of the total orders in this segment. However, this declined from 95% with EIL's continued diversification efforts and a strong focus on non-hydrocarbon opportunities (infrastructure, and green hydrogen, among others). Presently, the strong outlook of the sector provides order visibility. However, in the long term, diversification of the orderbook towards other segments and successful execution of these orders remains crucial for EIL to improve its competitive standing as a project management and consultancy (PMC) segment.

Increased exposure through investments
Over the years, EIL has made investments in companies from its existing cash and bank balances, RFCL and Numaligarh Refinery Limited (NRL), where it holds 26% and 4.80% stake, respectively, as on March 31, 2025. While there is no additional investment in RFCL since FY23, EIL participated in the rights issue for 1.26 lakh equity shares in NRL to maintain its shareholding in NRL at a price of ₹110 per share amounting to ₹138 crore. Out of ₹138 crore, EIL paid ₹69.15 crore towards call of rights issue March 31, 2024, and the balance payment was made in FY25 and H1FY26 from the company's available cash and liquid investment.

As on March 31, 2025, EIL had total investment in subsidiary/JVs/associates of ₹1,389 crore and higher-than-envisaged increase in the investment funding impacting the company's liquidity position will be important from credit perspective.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks

Environment
EIL primarily operates in oil and gas segments, which disrupts economic resources while its operations are under progress resulting in environmental risk. To reduce the environmental risk, EIL is adopting strategies and developing less carbon intensive

technological solutions and plans to achieve a net zero carbon emitting corporate by 2035. EIL has also been diversifying its portfolio in the energy-efficient areas such as Green Hydrogen and biofuels.

EIL has also taken several initiatives to create awareness to adopt sustainable practices at work with installation of EV charging infrastructure, solar electric system, and water recovery systems from wastewater streams to optimise water and electricity consumption and support the green power adoption.

Social
EIL's business profile also has social impact with large labour force involvement, and hence, it has associated occupational risk. However, EIL has taken social upliftment programmes such as construction of classrooms and toilets, distribution of medical equipment to medical institutes, and installation of rooftop solar grid for a charitable trust, among others, to bringing a positive change in the society.

Governance
EIL has timely and accurate financial reporting governed by a board comprising six functional directors, four independent directors and two government nominees. EIL has a comprehensive policy framework designed to guide ethical conduct, ensure transparency and maintain regulatory alignment, including Whistleblower Policy, Code of Conduct for Prevention of Insider Trading, Code of Fair Disclosure of Unpublished Price Sensitive Information and Dividend Distribution Policy.

Applicable criteria

Consolidation & Combined Approach
Policy on Default Recognition
Notching by Factoring Linkages with Government
Liquidity Analysis of Non-financial sector entities
Assigning 'Outlook' or 'Rating Watch' to Credit Ratings
Financial Ratios – Non financial Sector
Construction Sector
Rating of Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil construction

Incorporated on March 15, 1965, EIL is a CPSU with majority ownership of the GoI operating under the administrative control of MoPNG. EIL provides consultancy and engineering services and undertakes turnkey contracts, which includes complete range of project services right from project conceptualisation, planning, design, engineering, procurement, construction and commissioning per client's requirement and specifications and providing post-execution services for maintenance and monitoring the operation of plant across industries including petroleum refining, petrochemicals, pipelines, oil & gas, terminals & storages, mining & metallurgy and infrastructure. Over the years, EIL has also extended consultancy and engineering services to sectors such as water and waste management, city gas distribution, power - thermal, solar, nuclear, gas-based fertilizer projects, coal-to-liquid (CTL), and steel.

Brief Financials (Consolidated, ₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	3,284	3,092	1,792
PBILDT	311	527	192
PAT	445	580	149
Overall gearing (times)	0.03	0.03	NA
Interest coverage (times)	54.76	107.67	164.65

A: Audited UA: Unaudited; NA – Not available Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	NA	-	-	-	121.50	CARE AAA; Stable
Non-fund-based - LT/ ST-BG/LC	NA	-	-	-	100.00	CARE AAA; Stable / CARE A1+
Non-fund-based - LT/ ST-BG/LC	NA	-	-	-	1672.50	CARE AAA; Stable / CARE A1+

NA: Not applicable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Non-fund-based - LT/ ST-BG/LC	LT/ST	100.00	CARE AAA; Stable / CARE A1+	-	1)CARE AAA; Stable / CARE A1+ (19-Dec-24) 2)CARE AAA; Stable / CARE A1+ (23-May-24)	1)CARE AAA; Stable / CARE A1+ (07-Dec-23)	1)CARE AAA; Stable / CARE A1+ (03-Jan-23)
2	Non-fund-based - LT/ ST-BG/LC	LT/ST	1672.50	CARE AAA; Stable / CARE A1+	-	1)CARE AAA; Stable / CARE A1+ (19-Dec-24) 2)CARE AAA; Stable / CARE A1+ (23-May-24)	1)CARE AAA; Stable / CARE A1+ (07-Dec-23)	1)CARE AAA; Stable / CARE A1+ (03-Jan-23)
3	Fund-based - LT-Cash Credit	LT	121.50	CARE AAA; Stable	-	1)CARE AAA; Stable (19-Dec-24) 2)CARE AAA; Stable (23-May-24)	-	-

LT: Long term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - LT/ ST-BG/LC	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Certification Engineers International Limited	Full	Subsidiary of EIL
2	TEIL Projects Limited (under liquidation)	Proportionate	Joint Venture of EIL
3	Ramagundam Fertilizers & Chemicals Ltd.	Proportionate	Joint Venture of EIL
4	Oil And Gas Exploration and Production Block No. Cb-Onn-2010/11	Proportionate	Joint Operations of EIL
5	Oil And Gas Exploration and Production Block No. Cb-Onn-2010/8	Proportionate	Joint Operations of EIL

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:
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