Engineers India Limited

September 04, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term / Short-term bank facilities	RBI	2,248.00 (Enhanced from 1,772.50)	CARE AAA; Stable / CARE A1+	Reaffirmed
Long-term bank facilities	RBI	121.50	CARE AAA; Stable	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 six 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 ₹14,424 crore as on June 30, 2026. The company is a renowned engineering entity specialising in the oil and gas segment, which account for ~70-80% of the order book over the past three years. Dominance of the sector is expected to continue. EIL has increased the composition of C&E segment in the order book against contribution of consultancy to ~73:27 as on June 30, 2026.

To diversify the order book, the company is taking 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 strong financial performance in FY26 (refers to period April 01 to March 31) with revenue of ₹3,942 crore (₹3,092 crore in FY25) and profit before interest, lease rentals, depreciation and taxation (PBILDT) margin of 18.10% (FY25: 17.03%). Going forward, with higher share of Consultancy segment revenue, margins of EIL are expected to remain above 15% in the medium term.

Total operating income (TOI) for Q1FY27 remained subdued at ₹820 crore (₹870 crore in Q1FY26) the decline is due to muted performance in turnkey segment, although profit after tax (PAT) improved to ₹158 crore (₹65 crore in Q1FY26). The profit contribution from joint venture (JVs)/associates amounts to ₹42.5 crore in Q1FY27 against the loss reported by JVs in Q1FY26 due to plant shutdown at Ramagundam Fertilizers and Chemicals Limited (RFCL).

Ratings also derive strength from robust financial position, strong financial flexibility, and comfortable liquidity position with liquid investments and cash balance of ₹1,359 crore as on March 31, 2026. 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 and 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 also support growth in cyclical industry scenario.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Not applicable

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority
[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

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-5.

Outlook: Stable

The stable outlook reflects expectation of the company's continued dominant market position and comfortable financial profile backed by a growing order book position and strong liquidity profile.

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 June 30, 2026) 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, while its executive and non-executive directors are also appointed by GoI.

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 Atul Gupta, Chairperson & Managing Director.

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

EIL has over six 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 58 live patents for such process technologies and patents for another 74 technologies are pending as on March 31, 2026. 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 out 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 liquefied natural gas (LNG) segment, and underground caverns for storages.

Strong orderbook position with reputed clientele

EIL had an outstanding orderbook of ₹14,424 crore as on June 30, 2026, compared to ₹12,144 crore on June 30, 2025, which translates to 3.66x the total operating income (TOI) for FY26 providing a strong revenue visibility. The company's order book comprised ₹10,498 crore worth of works in the C&E segment and the balance ₹3,926 crore from the turnkey segment as on June 30, 2026. The contribution of C&E segment to the outstanding orderbook improved from 56% as of June 2025 to 73% as of June 2026. In FY26 and Q1FY27, EIL recorded an order inflow amounting to ₹7,978 crore and ₹514 crore, respectively. The company has orderbook concentration in oil and gas segment, which account for ~70-80% of the order book over the past three years. Dominance of the sector is expected to continue. To diversify the order book, the company is taking up orders in segments such as energy-efficient infrastructure, high-end data centres, laboratories, and academic complexes.

The counterparties are all leading oil and petrochemical entities resulting in low counterparty risk. 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.

Strong financial performance in FY26 and Q1FY27
EIL reported consolidated operating revenue of ₹3,942 crore in FY26 (₹3,092 crore in FY25), reflecting a 27% increase as a result of strong execution of turnkey projects. Turnkey revenue significantly increased from ₹1,349 crore in FY25 to ₹2,067 crore in FY26, and the growth in C&E revenue from ₹1,678 crore to ₹1,782 crore. The consolidated PBILDT margin improved by 107 bps at 18.10% in FY26 (from 17.03% in FY25) due to margin improvement in turnkey segment as a result of certain change in scope of work and reversal of provisions made for liquidated damages, which resulted in positive impact of ₹226 crore in turnover. Accordingly, the PAT margin also remained broadly stable at 16.58% against 17.28%.

In Q1FY27, the company reported TOI of ₹820 crore against ₹870 crore in Q1FY26. Despite the decline in revenue, the PBILDT margin improved to 15.42% in Q1FY27 from 8.28% in Q1FY26. The improvement was mainly driven by higher contribution (63% against 48%) from C&E resulting in better margins. Earnings before interest and taxation (EBIT) margins for C&E segment increased from 18% in Q1FY26 to 25% in Q1FY27, while the same for turnkey has also increased from 5.5% in Q1FY26 to 7.5% in Q1FY27.

This apart, the profit contribution from JVs/associates amounts to ₹42.51 crore in Q1FY27 against the loss in Q1FY26 due to plant shutdown in Ramagundam Fertilizers and Chemicals Limited for considerable period due to technical reasons. Consequently, PAT increased significantly to ₹158 crore in Q1FY27 from ₹65 crore in Q1FY26.

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 0.73x as on March 31, 2026 (PY: 0.78x). Requirement for fund-based lines has been low as internal accruals have been sufficient to fund operations.

Favourable industry growth prospects
Sustained demand for transportation fuels and industrial energy across global economies is expected to support growth in the global oil refining market, which is projected to expand at a compound annual growth rate (CAGR) of 1.63% during 2026-2034. India is set to be the largest and most stable contributor to global primary energy demand growth. Urbanisation, industrialisation, and the emergence of a wealthier middle-class keen for mobility and tourism, plus efforts to achieve greater access to clean cooking, will underpin the expansion in oil demand. Consequently, India's oil consumption is projected to rise by 44% to ~ 8 million barrel (mbd) per day by 2035. Petrochemical demand continues to grow globally, with Indian petrochemical market size reaching USD 60.3 billion in 2025. Looking ahead, market is expected to reach USD 84.5 billion by 2034, exhibiting a growth rate (CAGR) of 3.82% in 2026-2034, while petrochemical capacity is expected to increase from 29.62 MMT in 2025 to 46 MMT by 2030.

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 in oil and gas segment, which account for ~70-80% of the order book over the past three years. Dominance of the sector is expected to continue while there has been initiative to diversify to civil segments also. 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 by way of investments
Over the years, EIL has made investments in few companies from its existing cash and bank balances, Ramagundam Fertilizers and Chemicals Limited (RFCL) and Numaligarh Refinery Limited (NRL), wherein it holds 26% and 4.37% stake, respectively, as on March 31, 2026. While there is no additional investment in RFCL since FY23, EIL had 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. In FY26, ₹34.58 crore was invested in NRL against final call of rights issue.

As on March 31, 2026, EIL had total investment in subsidiary/JVs/associates of ₹1,522.42 crore. In addition, EIL has commenced site activities for setting up a Compressed Biogas (CBG) plant at MIDC Halkarni, Kolhapur, Maharashtra, which is being developed with EIL's own investment. EIL is exploring opportunities to invest, given the existing liquid reserves with the company. Investment funding materially impacting the company's liquidity position/leverage profile would be important from credit perspective.

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 and liquid funds (in the form of fixed deposit [FD] and mutual fund) of ₹1,350.65 crore as on June 30, 2026.

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 and it is aiming to reduce power demand by 25% by 2030, with an additional 10% reduction by 2035, through the adoption of energy efficient systems.

EIL has also taken several initiatives to create awareness to adopt sustainable practices at work with installation of electric vehicle (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, environment protection, drinking water and sanitation among others, to bringing a positive change in the society.

Governance

EIL has timely and accurate financial reporting governed by a board comprising five functional directors, two 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

Definition of Default
Rating Outlook and Rating Watch
Liquidity Analysis of Non-financial sector entities
Financial Ratios – Non financial Sector
Construction Sector
Short Term Instruments
Consolidation & Combined Approach
Notching by Factoring Linkages with Government

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 C&E 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 in various industries, including petroleum refining, petrochemicals, pipelines, oil and gas, terminals and storages, mining and metallurgy and infrastructure. Over the years, EIL has also extended C&E 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 (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)	Q1FY27 (UA)
Total operating income	3,092	3,942	820
PBILDT*	527	711	126
Profit after tax (PAT)	580	689	158
Overall gearing (x)	0.03	0.08	NA
Interest coverage (x)	108	139	248

A: Audited; UA: Unaudited; NA: Not available; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	RBI	Simple	-		-	-	121.50	CARE AAA; Stable
Non-fund-based - LT/ ST-BG/LC	RBI	Simple	-		-	-	100.00	CARE AAA; Stable / CARE A1+
Non-fund-based - LT/ ST-BG/LC	RBI	Simple	-		-	-	2148.00	CARE AAA; Stable / CARE A1+

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 2026-2027	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
1	Non-fund-based - LT/ ST-BG/LC	LT/ST	100.00	CARE AAA; Stable / CARE A1+	-	1)CARE AAA; Stable / CARE A1+ (08-Dec-25)	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)
2	Non-fund-based - LT/ ST-BG/LC	LT/ST	2148.00	CARE AAA; Stable / CARE A1+	-	1)CARE AAA; Stable / CARE A1+ (08-Dec-25)	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)
3	Fund-based - LT-Cash Credit	LT	121.50	CARE AAA; Stable	-	1)CARE AAA; Stable (08-Dec-25)	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: Lender details

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

Annexure-5: 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
6	LLC Bharat Energy Office	Proportionate	Associate

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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