

Proud Past Promising Future

**PATEL ENGINEERING** Ltd.

**59<sup>th</sup>** Annual Report 2007 - 08

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Mr. Pravin Patel	<i>Chairman</i>
Mr. Rupen Patel	<i>Managing Director</i>
Mr. K. Kannan	
Mr. Khizer Ahmed	
Mr. S. K. Desai	<i>Whole Time Director</i>
Mr. Rohit Patel	
Ms. Silloo Patel	<i>Whole Time Director &amp; CFO</i>
Ms. Sonal Patel	<i>Whole Time Director &amp; COO</i>
Mr. Nimish Patel	<i>Whole Time Director</i>
Mr. Dinesh V Patel	
Mr. Rajat Patel	
Mr. Ajay Tuli	

## COMPANY SECRETARY

Ms. Shobha Shetty

## AUDIT COMMITTEE

Mr. K. Kannan  
Mr. Pravin Patel  
Mr. Khizer Ahmed

## SHAREHOLDERS & INVESTORS

### GRIEVANCE COMMITTEE

Mr. K. Kannan  
Mr. Khizer Ahmed  
Mr. Rohit Patel

### REMUNERATION COMMITTEE

Mr. Khizer Ahmed  
Mr. Pravin Patel  
Mr. Rohit Patel

## AUDITORS

M/s. Vatsaraj & Co.  
Chartered Accountants  
Mumbai - 400 023

## REGISTERED OFFICE

Patel Estate Road,  
Jogeshwari (West),  
Mumbai - 400 102  
Email Id : investors@pateleng.com

## REGISTRAR & TRANSFER AGENT

Intime Spectrum Registry Ltd.  
C-13, Pannalal Silk Mills Compound,  
LBS Road, Bhandup (West),  
Mumbai - 400 078

Tel : +91 22 2596 3838  
Fax : +91 22 2594 6969  
Email Id : helpline@intimespectrum.com /  
isrl@intimespectrum.com  
Website : www.intimespectrum.com

## BANKERS

ICICI Bank Limited  
Bank of India  
Dena Bank  
Canara Bank  
Bank of Baroda  
Industrial Development Bank of India Ltd.  
Union Bank of India  
Corporation Bank  
State Bank of India

## BOARD OF DIRECTORS



*L - R (standing)*

Mr. K. Kannan, Mr. Dinesh V Patel, Mr. Rupen Patel (MD), Ms. Silloo Patel, Mr. Rohit Patel

*L - R (sitting)*

Mr. Khizer Ahmed, Mr. Pravin Patel (Chairman), Mr. S. K. Desai

*Directors not in the picture*

Ms. Sonal Patel, Mr. Nimish Patel, Mr. Rajat Patel, Mr. Ajay Tuli

# MESSAGE FROM THE MANAGING DIRECTOR

*Dear Shareholder,*

I am happy to report that your Company has had another dynamic year in terms of performance.

Our revenues have jumped by 44.16% to INR 18,590 million.

Our gross margins have increased by 41% to INR 1855 million and our net profits by 34.41% to INR 1519 million. In a year which has seen volatility in both global and Indian markets, these figures are a reflection of the inherent solidity of your Company.

These are challenging times for India. As we go to press, inflation has been hovering at above 11%, and this has had a strong effect on the prices of raw materials. There is a shortage of skilled manpower, and as a consequence, the attrition rate in this industry is rising. Interest rates have been hiked, and that will have a negative impact on the rate of infrastructure growth. Finally, there have been delays in clearances and approvals by the statutory bodies, and these affect the schedules and the budgets of projects. Raising of funds for large projects, particularly those with long gestation periods is an undeniable problem.

Your Company has evolved several strategies to help meet the above challenges. While recognizing that India is a huge market, we will continue to look overseas to expand our operations, and seek complementary acquisitions. We have retained our focus on high margin sectors such as Hydropower plant construction, and have increased the average order size to enhance economies of operating scale. We bid for projects in strategic infrastructure segments such as Irrigation and Roads, where once again margins are very healthy. We have ventured into Asset Ownership as an Independent Power Producer and in BOT (Annuity) Road Projects. Finally, we strive to motivate our management and staff through a combination of incentives, ESOPs and a working environment that is both exciting and rewarding.

Indeed, these are exciting times for your Company. For the last sixty years we have been at the forefront of India's development. It is fitting that as India moves into the next phase of growth, so also should your Company redefine itself. As we continue to be focused on our core sector of civil and infrastructure engineering, we have established two new

verticals in Asset Ownership and Real Estate development. As an asset owner, you are aware that your Company is in the process of setting up a 1200 MW thermal power plant. We are also finalizing a hydropower plant with a capacity of 120 MW. We believe that the future is in privatization, and your Company is gearing itself to be a part of that future. To fund this vertical, we will be monetizing the historical land bank belonging to the Company and channel the revenues back into asset ownership. The first phases of real estate development involve projects in Mumbai and in Bangalore, where we are happy to inform you that we have approvals for setting up Special Economic Zones. Over the next few years, your Company is confident that these new verticals will complement the core strength of engineering.

As a Company, we always look to innovation. Our overseas acquisitions have paid off handsomely. Revenues from our foreign subsidiaries have increased by 400% to INR 2415.50 million. Your Company will continue to look for cutting edge technologies that complement our portfolio of engineering services.

A Company is a sum of the people who work with it. I would like to place on record my appreciation for the management, staff and workers who work with us so tirelessly, and help us to become what we are.

Finally, I would like to pay a very special tribute to you, our Shareholder. Patel Engineering Ltd. is nothing if not a product of the people who have invested their trust in us. Let me assure you that we will continue to work in a manner that will make you proud. The next few years promise to be challenging. We will respond to those challenges with courage, strength and dignity and ensure that we continue to engineer growth intelligently.

Thank you.



Rupen Patel

# Engineering an Identity

Patel Engineering Ltd., an ISO-9001:2000 company, is one of India's leading civil engineering and construction companies with over 200 projects around the world to its credit. Founded by four young entrepreneurs in 1949, we predominantly operate in the power, irrigation and water supply, transport and urban infrastructure sectors.

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## Mission

To offer cutting edge engineering solutions within India's infrastructure sector, and help the nations economic development and prosperity.



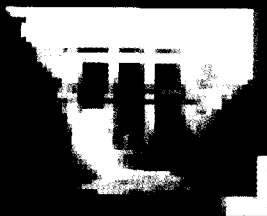


## Vision

To engineer growth intelligently  
and in creating a global footprint,

**REMAIN PROUDLY INDIAN.**

Report



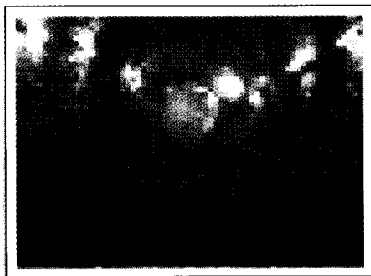
### **Financial Performance (Consolidated)**

During 2007-08, Patel Engineering Ltd. recorded total revenue of INR 18,633.30 million, an increase of 43.36% over the previous year. The Company's EBIDTA stood at INR 2777.23 million against INR 1757.80 million in 2006-07, an increase of 58%. The Profit After Tax (PAT) of the Company increased from INR 1130.10 million in 2006-07 to INR 1519.05 million in 2007-08, an increase of 34.41%. The shares of the Company are listed on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE).

# Our Projects



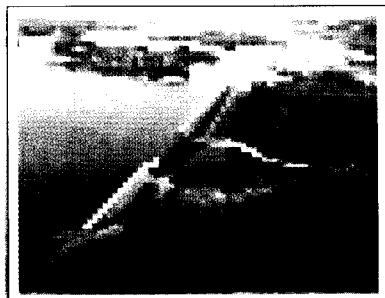
*Ghatghar RCC Dam, First RCC Dam in India*



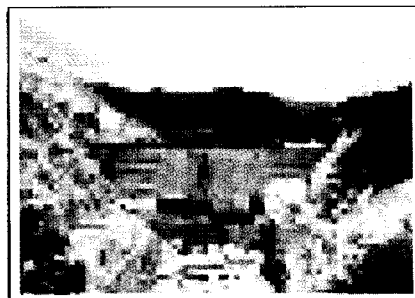
*BMC Verawalli Tunnel Works*



*Fly-Over Bridge on Ring Road, Surat*



*Buckhorn Reservoir Expansion  
North Carolina, USA*

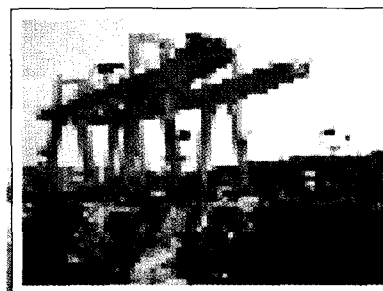


*Platanovrissi Dam, Greece*





*Srisailem Hydro Electric Project  
Power House Cavern*



*Jawahar Lift Irrigation Scheme*



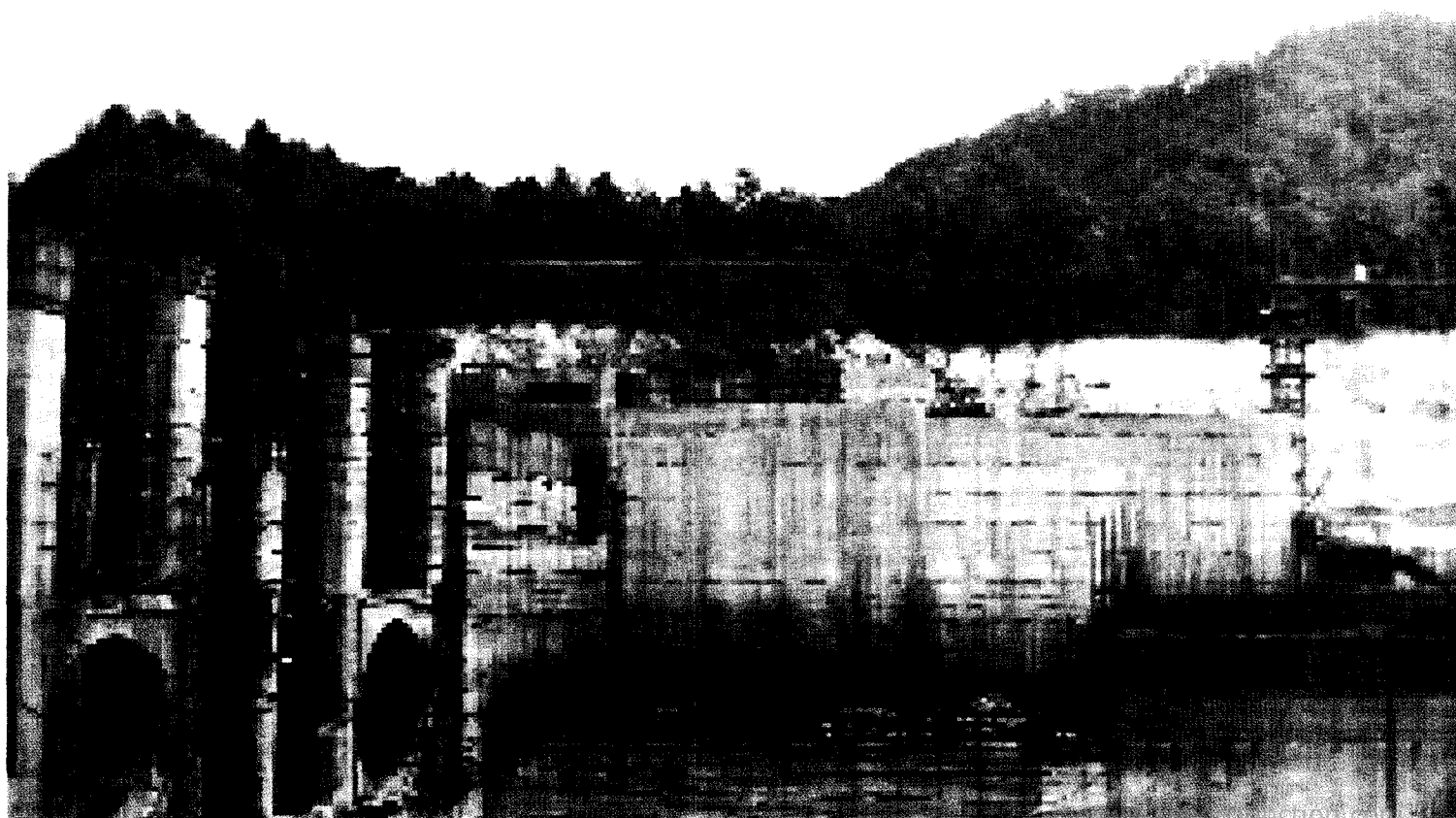
*Parbati Project,  
Himachal Pradesh*

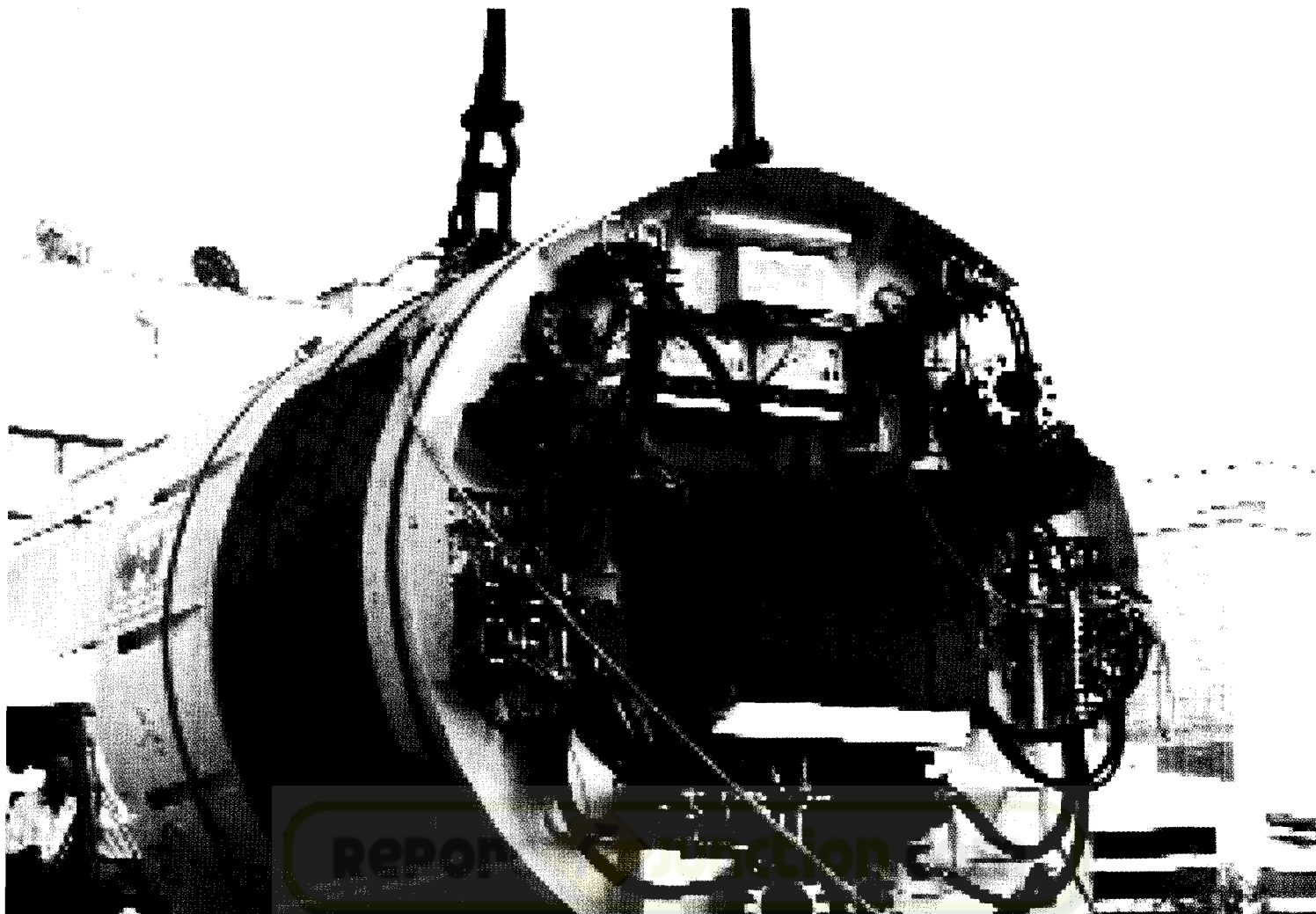


*S. R. S. P. Flood Flow Canal,  
Andhra Pradesh*

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*Teesta Lower Dam Project*





*TBM Works in Mumbai*

# MILESTONES

- **6** decades of service to the nation
  - **75** dam related projects
- **30** Hydropower projects in India
  - **30** microtunnelling projects
- **160** kms of tunnelling completed
- **Leader** in Hydropower with 22% market share
- **Only Indian company** with experience in RCC, Microtunnelling and Double Lake tap work