



KALPATARU®

KALPATARU POWER TRANSMISSION LIMITED

Making Infrastructure Deliver

ANNUAL REPORT 2007-08

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TRANSMISSION LINES ELECTRIFICATION PIPELINES GREEN ENERGY FACTORIES & BUILDINGS ROADS & BRIDGES REAL ESTATE LOGISTICS



KALPATARU POWER TRANSMISSION LIMITED

Regd. Office: 101, Part III, G.I.D.C. Estate,
Sector - 28, Gandhinagar - 382 028, India.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that Twenty-Seventh Annual General Meeting of the Shareholders of KALPATARU POWER TRANSMISSION LIMITED will be held on Friday, the 18th July, 2008 at 4.00 p.m. at KALPA-VRIKSHA LEARNING CENTRE, A-1 & A-2, GIDC Electronic Estate, Sector-25, Gandhinagar - 382 016 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at 31st March, 2008 and Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr. Mofatraj P. Munot who retire by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Mahendra G. Punatar who retire by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Sajjanraj Mehta who retire by rotation and being eligible, offers himself for re-appointment.
6. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

- A. **"RESOLVED THAT** M/s. Kishan M. Mehta & Co., Chartered Accountants, Ahmedabad be and are hereby re-appointed as Statutory Auditors of the Company under Section 224 and other applicable provisions, if any, of the Companies Act, 1956 to hold office as such from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company, at such remuneration, as may be decided by the Board / Audit Committee of the Board, plus reimbursement of out of pocket expenses, as may be incurred in the performance of their duties."
- B. **"RESOLVED THAT** M/s. Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad be and are hereby appointed as the Joint Statutory Auditors of the Company under Section 224 and other applicable provisions, if any, of the Companies Act, 1956 to hold office as such from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company, at such remuneration, as may be decided by the Board / Audit Committee of the Board, plus reimbursement of out of pocket expenses, as may be incurred in the performance of their duties."

SPECIAL BUSINESS:

7. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 269, 198, 309, 310 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be necessary, the Company hereby approves the re-appointment of Shri K.V. Mani as the Managing Director of the Company for a period effective from 1st April, 2008 to 31st March, 2010 upon such terms and conditions including remuneration as set out below:

The remuneration of Managing Director has been agreed to be as under:-

The Managing Director shall be paid overall remuneration upto 2.5% of the net profits of the company for each financial year as may be determined by Remuneration Committee and/or by the Board of Directors of the Company, in the manner laid down under section 309 of the Companies Act, 1956 subject to overall ceiling laid down under section 198 and 309 of the Act. Such remuneration will be inclusive of salary, perquisites and allowances as stated hereunder.

- | | | |
|-----------------|---|---------------------|
| a) Basic Salary | : | Rs.10,00,000/- p.m. |
| b) Allowances | : | Rs. 5,00,000/- p.m |



KALPATARU POWER TRANSMISSION LIMITED

c) Perquisites :

PART-A :

- i. Housing : Free hard furnished accommodation owned or hired by the Company at Ahmedabad.
- ii. Medical Expenses : Reimbursement of medical expenses and mediclaim policy for self and wife only.
- iii. Club Fee : The company shall pay membership fees of the Club at Ahmedabad.
- iv. Electricity & Water : Reimbursement of electricity and water bills.
- v. Books / Periodicals : Reimbursement upto Rs.10000/- p.a.
- vi. Professional Bodies fees : Reimbursement upto Rs.10000/- p.a.
- vii. Car : Car will be provided and insured by the Company and car driver, maintenance, etc. will be on personal A/c.
- viii. He will be entitled for leaves as per Company's rules.

PART-B :

Contribution to the Provident Fund will not be included in the computation of the ceiling on perquisites to the extent not taxable under the Income Tax Act.

PART- C :

Company's chauffeur driven car will be provided for use of company's business. Telephone at residence shall be provided and personal outstation calls shall be on personal account.

MINIMUM REMUNERATION:

In the event of loss or inadequacy of profits in any Financial Year, Shri K.V. Mani shall subject to the approval of the Central Government, if any required, be paid remuneration by way of Salary and Perquisites as specified above subject to the restriction, if any, set out in Schedule XIII of the Companies Act, 1956, from time to time.

TERMINATION:

The appointment may be terminated by either party giving to the other 3 months notice in writing. However, the appointment may be terminated by less than 3 months notice by mutual agreement between the parties."

- 8. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 198, 309, 310 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII, the Company hereby modify the terms of remuneration payable to Shri Manish Mohnot, Executive Director of the company w.e.f. 1st April, 2008 as recommended by Nomination and Compensation Committee for the remaining period of his tenure as set out below:-

Remuneration :

Basic salary : Rs.4,00,000/- p.m. from Rs.2,50,000/- p.m.

The Executive Director shall be paid monthly salary, allowance, perquisites and amenities subject to overall ceiling laid down under Sections 198, 309 and Schedule XIII of the Companies Act, 1956.

All other existing terms and conditions of agreement dated 31st October, 2006, as approved by the Members in its meeting held on 14th July, 2007, remain unchanged.

TRANSMISSION LINES ELECTRIFICATION PIPELINES GREEN ENERGY FACTORIES & BUILDINGS ROADS & BRIDGES REAL ESTATE LOGISTICS

NOTES :

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT A MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- b) The Register of Members and Share Transfer Books of the Company will be closed from 14th July, 2008 to 18th July, 2008 (both days inclusive).
- c) Dividend on Equity shares as recommended by the Board of Directors, if declared at the Meeting, will be paid on or after 19th July, 2008, to those members whose names appears on the Company's Register of Members on 19th July, 2008.
- d) Pursuant to Section 205C of the Companies Act, 1956, remaining unpaid or unclaimed dividend for a period of seven years from the date they become payable by the company have been credited to the Investor Education & Protection Fund.
- e) Members are requested to notify immediately change of address, if any, to the Company's Share Transfer Agents M/s. Intime Spectrum Registry Ltd., 211, Sudarshan Complex, Near Mittakhali Under Bridge, Navrangpura, Ahmedabad – 380 009.
- f) The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, is annexed hereto.
- g) For any further information regarding the Annual Accounts, advance intimation be given at the Registered Office of the Company and the members should ensure that it reaches the Company at least seven days before the date of ensuing annual general meeting.
- h) Under Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in FormNo.2B in duplicate (which will be made available on request) to M/s. Intime Spectrum Registry Ltd.
- i) All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays between 11.00 a.m. and 1.00 p.m. upto the date of Annual General Meeting.
- j) Members who hold shares in dematerialized form are requested to bring their Client ID and DP numbers for easy identification of attendance of the meeting.
- k) The information about director's appointment/re-appointment is provided in separate section "Shareholder's Information" in Report on Corporate Governance.

By Order of the Board
For KALPATARU POWER TRANSMISSION LIMITED

PLACE : GANDHINAGAR
DATE : 20th June, 2008

Sd/-
(BAJRANG RAMDHARANI)
G. M. (Finance) & Company Secretary



KALPATARU POWER TRANSMISSION LIMITED

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173 OF THE COMPANIES ACT, 1956.

ITEM NO. 7

The Board of Directors of the Company in its meeting held on 31st March, 2008 considered it appropriate and in the best interest of the Company to re-appoint Shri K.V. Mani as the Managing Director of the Company for a period effective from 1st April 2008 to 31st March 2010 upon the terms and conditions including the remuneration as set out in the agreement dated 4th April, 2008, entered into between the Company and Shri K.V. Mani, subject to the approval of the Shareholder's of the company, is placed before this meeting. The appointment and remuneration payable to Shri K.V. Mani as the Managing Director requires the approval of the Company in General Meeting in terms of Part III of Schedule XIII of the Companies Act, 1956.

The salary payable and other perquisites to Shri K.V. Mani was communicated to the Members vide the Abstract and Memorandum under Section 302 of the Companies Act, 1956 dated 8th April, 2008 and is outlined in the Resolution before the Members.

The appointment of Shri K.V. Mani on the terms proposed satisfies the conditions laid down in Schedule XIII of the Companies Act, 1956. The Resolution is set out at item no.7 of the Notice convening Annual General Meeting and accordingly, the Board recommends the same for your approval.

Except Shri K.V. Mani, none of the other Directors of the Company is in any way concerned or interest in the said Resolution.

ITEM NO. 8

At the Annual General Meeting of the Company held on 14th July, 2007, the Members had approved the appointment of Shri Manish Mohnot as Executive Director of the Company on the remunerations as specified in the Explanatory Statement annexed to the Notice of the said meeting. The Board of Directors in its meeting held on 31st March 2008 proposed the modification in terms of remuneration of Shri Manish Mohnot by revising his Basic salary.

The salary payable to Shri Manish Mohnot was communicated to the Members vide the Abstract and Memorandum under Section 302 of the Companies Act, 1956 dated 8th April, 2008 and is outlined in the Resolution before the Members.

All other terms and conditions of the appointment of Shri Manish Mohnot, as approved earlier by the Members shall remain unchanged.

Your Directors, therefore, recommend the resolution at Item No. 8 for your approval.

Shri Manish Mohnot is interested in the Resolution pertaining to the revision in the terms of his remunerations as aforesaid. None of the other Directors is concerned or interested in the resolution.

By Order of the Board
For KALPATARU POWER TRANSMISSION LIMITED

PLACE : GANDHINAGAR
DATE : 20th June, 2008

Sd/-
(BAJRANG RAMDHARANI)
G. M. (Finance) & Company Secretary

FORM OF PROXY**KALPATARU POWER TRANSMISSION LIMITED**

REGISTERED OFFICE : 101, PART - III, GIDC ESTATE,
SECTOR - 28, GANDHINAGAR - 382 028

I/We _____
of _____ in the district of _____
being member(s) of the above named Company, hereby appoint _____
of _____ or failing him _____
of _____

as my/our proxy to vote for me/us on my/our behalf at the **TWENTY - SEVENTH ANNUAL GENERAL MEETING** of the Company to be held at 4:00 p.m. on Friday, 18th July, 2008, at KALPA-VRIKSHA LEARNING CENTRE, A-1 & A-2, GIDC Electronic Estate, Sector - 25, Gandhinagar - 382 016 and at any adjournment thereof.

Signed at _____ (Place) this _____ day of _____, 2008.

DP ID*	
Folio No.	
Client ID*	
No. of Shares held	

Affix
15 paise
revenue
Stamp

Note : This form in order to be effective should be duly stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.

* Applicable for investor holding shares in electronic form.

-----X-----TEARHERE-----X-----

ATTENDANCE SLIP**KALPATARU POWER TRANSMISSION LIMITED**

REGISTERED OFFICE : 101, PART - III, GIDC ESTATE,
SECTOR - 28, GANDHINAGAR - 382 028

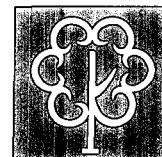
To be handed over at the entrance of the Meeting Hall.

NAME OF THE ATTENDING MEMBER (in Block Letters)	DP ID*
	Client ID*
NAME OF PROXY (in Block Letters) (To be filled in the Proxy attends instead of the member)	Membership Folio No.
	NO. OF SHARES HELD

I hereby record my presence at the **TWENTY - SEVENTH ANNUAL GENERAL MEETING** of the Company at 4.00 p.m. on Friday, 18th July, 2008, at KALPA-VRIKSHA LEARNING CENTRE, A-1 & A-2 GIDC Electronic Estate, Sector - 25, Gandhinagar - 382 016.

Member's/Proxy's Signature
(To be signed at the time of handing over this Slip)

* Applicable for investors holding shares in electronic form.



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Board of Directors

Mr. Mofatraj P. Munot

Chairman

Founder, Promoter and Chairman of Kalpataru Group with over 43 years of experience in the field of Real Estate and Property Development, Civil Contracting & various Industries.

Mr. Mahendra G. Punatar

Vice Chairman

MS (Structural Engineering) from University of Michigan, USA with over 48 years of experience in transmission line industry.

Mr. K. V. Mani

Managing Director

Bachelor of Engineering and MBA. Has 43 years of experience in Transmission and Distribution Industry, mainly Construction, Project Management and Overseas Marketing.

Mr. Parag Munot

Promoter Director

MBA, Carnegie Mellon University, USA with 15 years of experience and responsible for the Groups Real Estate and Property Development Business.

Mr. Ajay Munot

Executive Director

Chartered Accountant and Bachelor in General Law with over 13 years of experience and responsible for the Group's Infrastructure and Contracting Business.

Mr. Manish Mohnot

Executive Director

Chartered Accountant and ICWA with an experience of 13 years and responsible for the Group's Infrastructure & Logistics Business.

Mr. Imtiaz Kanga

Promoter Director

Chartered Accountant with 28 years of experience in various Industries.

Mr. Sajjanraj Mehta

Independent Director

Chartered Accountant with over 33 years of experience. Is a Consultant in the field of Foreign Exchange, Taxation and Corporate Affairs and Strategy.

Mr. Vimal Bhandari

Independent Director

Chartered Accountant having experience of more than 23 years in Financial Services sector. Presently, he is Country Manager - Aegon India Pvt. Ltd.

Mr. Shitin Desai

Independent Director

He is having experience of 27 years in Financial Services Sector. Presently, he is Executive Vice Chairman of DSP Merrill Lynch Ltd.

Mr. Narayan Seshadri

Independent Director

Chartered Accountant having experience of 26 years in the field of finance, account, tax and business consulting. Presently, he is Chairman and CEO of Halcyon Resources and Management Pvt. Ltd.

Executive Management Team

Mr. Kamal K. Jain

President & CFO

Mr. Dinesh B. Patel

President & CEO
(Domestic - TL Projects)

Mr. B. K. Satish

President & CEO
(Distribution Projects)

Mr. N. Sai Mohan

President & CEO
(Overseas Projects)

Mr. Gyan Prakash

President & CEO
(Pipeline Projects)

Company Secretary

Mr. Bajrang Ramdharani

Auditors

M/s. Kishan M. Mehta & Co.,
Ahmedabad

Legal Advisor

M/s. Singhi & Co.,
Ahmedabad

Bankers

Indian Bank
Oriental Bank of Commerce
Union Bank of India
State Bank of India
EXIM Bank
ICICI Bank Ltd.
Industrial Development Bank of India Ltd.
Citi Bank N. A.

Corporate Office

'KALPATARU SYNERGY'
8th Floor, Opp. Grand Hyatt Hotel
Vakola, Santacruz(E)
Mumbai - 400 055, India.
Tel. : 91 - 22 - 30645000
Fax : 91 - 22 - 30643131

Factory & Registered Office

Plot No. 101, Part III,
G.I.D.C. Estate, Sector 28,
Gandhinagar - 382 028,
Gujarat, India.
Tel. : 91 - 79 - 23214000
Fax : 91 - 79 - 23211966 / 68 / 71
Email: kptl@kalpatarupower.com

Website

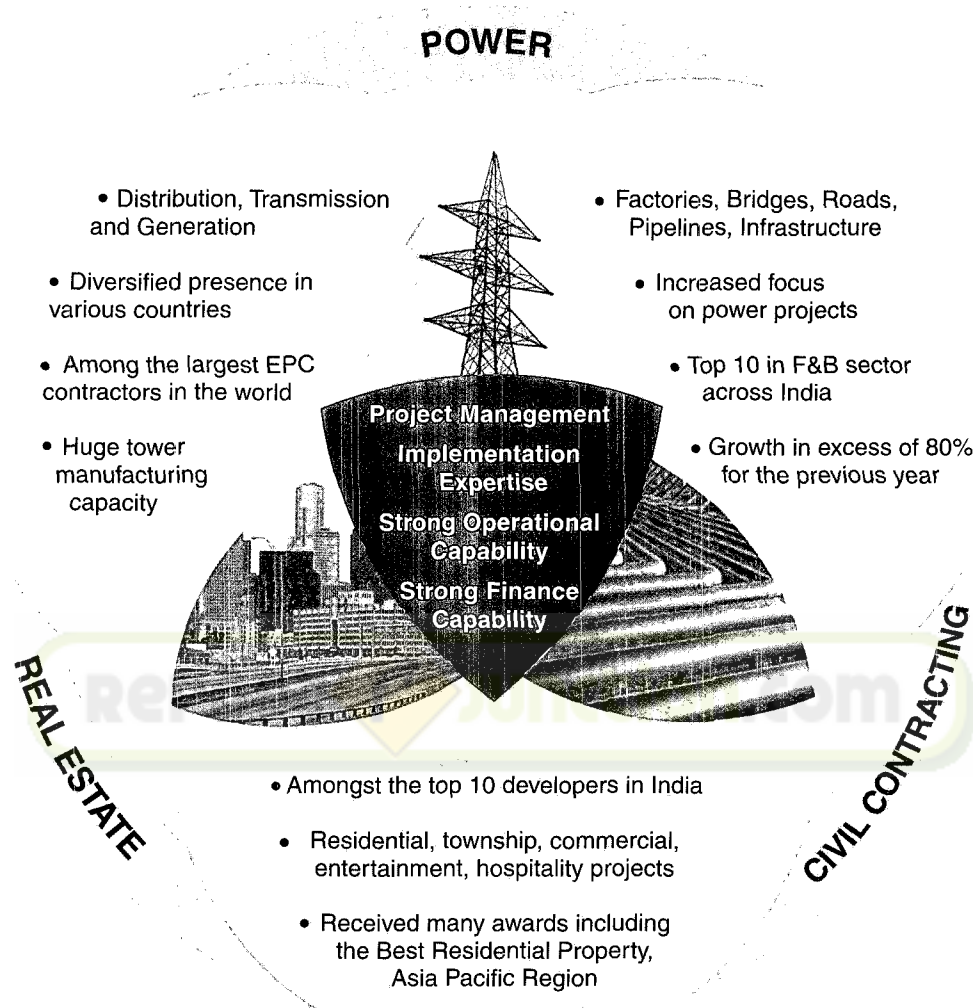
www.kalpataru.com
www.kalpatarupower.com
www.jmcprojects.com

Management Team





Making Infrastructure Deliver



Amidst the growing chorus for more investments in infrastructure, we have focused not on just building quality infrastructure, but have also identified the need for infrastructure to actually deliver the intended benefits.

After consolidating our position as one of the top EPC players in India, we are now entering infrastructure services through the Public-Private-Partnerships (PPP). This will help us in becoming a company that owns and deliver infrastructure. Our infrastructure projects will have the same mark of quality as our manufacturing and EPC activities.

For us this is not just good business, but it is also our contribution to the nation building.

Chairman's Letter



Dear Stake holders,

It gives me immense pleasure in interacting with you as the company circulates its annual performance report. This year I would like to dwell upon various strategic issues along with the Company's growth plan.

I would like to highlight some of the achievements by our teams at Kalpataru Power (KPTL) and JMC Projects (JMC):

- Kalpataru Power's revenues were up 13% at Rs. 17.68 billion (USD 442 million) and PBT at Rs. 2 billion (~12% margin), despite the increasing input cost and intense competitive scenario.
- We have an order book of Rs. 34 billion (USD 850 million) and look poised to cross revenues by 30% to Rs. 23 billion (USD 575 million) in 2008-09. Over these 6 years, our CAGR on standalone basis would be of 51%.
- We are currently engaged in turnkey transmission and distribution projects across India (including our largest Rs. 10 billion 11/33 kv distribution job for Maharashtra) and in Abu Dhabi, Ethiopia, Djibouti, Kenya, Algeria, Philippines, Nepal. We have also made breakthrough with tower supply jobs with utilities in Canada and USA. We have a global footprint and leadership position as a EPC player in the Power T&D sector. Our international division crossed USD 100 million or 25% of total revenues.
- By expanding our capacity by 30% to 108,000 MTS p.a by Sep. 08, we will remain one of the worlds largest Tower Fabricators. We are also diversifying into the fast growing Telecom sector and secured our first few jobs from BSNL and few private telecom players.
- Our timely acquisition and aggressive focus on growth has seen JMC Projects, our civil contracting subsidiary (52% stake), grow from Rs. 1.8 billion at time of takeover to over Rs. 9.2 billion (USD 230 million, up 83% over last year) in 2007-08 with a 3 years CAGR of 70%. From a loss making