



KALPA-TARU[®]

POWER TRANSMISSION LIMITED

INTEGRATED ANNUAL REPORT | **2021-22**



EXCITING
TIMES

PRAGMATIC
APPROACH

INTEGRATED
STRENGTH

ACROSS THE PAGES

1-84

Corporate Overview

Prepared for the Exciting Times	2
Our Proven Pragmatic Approach	4
Building and Leveraging Integrated Strength	6
About Us	8
Geographical Presence	10
Our Diversified Business Portfolio	12
Financial Highlights	16
Chairman's Message	18
Project Highlights	22
Value Creation Model	28
Our ESG Strategy	30
Stakeholder Engagement	32
Materiality Assessment	34
Financial Capital	36
Manufactured Capital	42
Intellectual Capital	50
Human Capital	56
Social and Relationship Capital	66
Natural Capital	74
Award and Recognitions	80
Board of Directors	82
Corporate Management Team	84

85-105

Management Reports

Management Discussion and Analysis	85
------------------------------------	----

106-171

Statutory Reports

Board's Report	106
Report on Corporate Governance	132
Business Responsibility Report	156

173-306

Financial Statements

Standalone	173
Consolidated	237



For more investor related information
Scan this QR code

Please find our online version at:
<https://kalpatarupower.com/financials/>

Investor Information

Market Capitalisation as at 31 March, 2022	₹ 5,460 Crores
CIN	L40100GJ1981PLC004281
BSE Code	522287
NSE Symbol	KALPATPOWR
Bloomberg Code	KPP: IN
AGM Date	4 August, 2022

Disclaimer: This document contains statements about expected future events and financials of Kalpataru Power Transmission Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

EXCITING **TIMES** PRAGMATIC **APPROACH** INTEGRATED **STRENGTH**

At KPTL, we firmly believe that execution is the key. Bound by ethics and safe working conditions, we nurture productivity and development within a conducive work environment. Our robust capabilities provide us the competency to consistently march towards progress. Thereby, leading us to 'exciting times' through a 'pragmatic approach', backed by 'integrated strength'.

Amid several socioeconomic and geopolitical challenges and uncertainties, our optimal outlook and proficiency aided us in implementing our action plan with persistence. Altogether, paving our way towards 'exciting times' and a progressive tomorrow.

We foster nation-building by catering to the infrastructure development requirements of India as well as other developing economies through a 'pragmatic approach' driven by actionable steps, timeliness, and quality.

Our four decades of industry experience, values, passion and capabilities give us the impetus to consistently move ahead. Hence, 'integrating our strengths' to pursue success.



PREPARED FOR THE EXCITING TIMES

- Over the years, we have walked on the principles of persistence and perseverance to attain success. Each of our strategic decisions, big or small, is aligned with our broader vision of value creation. With this mindset, we have been solidifying our base for the last few years to contribute to the nation's progress through our proven expertise.

The last two years have subjected KPTL to one of the most volatile market dynamics since our inception. With the critically fluctuating cost of commodities, freight, interest rates and other related materials, it became imperative for us to chalk out a pragmatic plan to counter the unpredictability and safeguard our performance.

Customer Centricity has always been at the core of all our operations, hence realignment of expectations with our stakeholder was our first agenda. Through comprehensive communication with all our clients, we re-hashed our delivery timelines along with reconciliation of resource availability and deployment requirements across projects. This enabled our teams at sites to optimally



Stakeholder
Communication



Long-Term Client
Relationships



Refocused Order
Book Strategy



Cost
Optimisation

utilise their resources and honor commitments. These conversations also helped us realise potential claims on account of cost overruns during the pandemic. Amid all the instability, we continued to deliver our critical projects even with adverse margin impact to ensure timely deliveries and develop strong and sustained relationships with our clients.

We repositioned our order-book building strategy to further counter the market volatility. We increased our focus on larger and international projects, and projects with variability clauses or longer gestation period to help us neutralise the impact of varying input costs over a longer duration.

As we consciously worked towards driving top-line growth, all our support teams worked towards tapping every possible avenue of safeguarding our margins. We worked towards optimal resource mobilisation across projects while re-evaluating our procurement processes to optimise costs. Our production facilities implemented measures to improve productivity and our finance team relooked at improving hedging practices. While margin preservation was paramount, we continued to support all our employees and workers and followed the best standards of health and safety practices.

All our efforts and initiatives helped us navigate the volatile environment while diligently managing our cash flows, optimising our cost and improving our working capital cycle that helped us achieve unprecedented low levels of debt. We saw broad-based topline growth led by strong execution in B&F, Water, Railways and international T&D projects despite challenges.

To develop a strong brand proposition and even stronger execution capabilities, 2021-22 ended with the board approved merger of our subsidiary JMC Projects (India) Limited with KPTL. This event has started reaping benefits seen in higher order intake and added strengths in delivering solutions to complex solutions swiftly. Our rich knowledge clubbed with experience, local geographical background, stakeholder relationships and operational expertise are helping us prove our capabilities across regions and sectors. We are optimistic about the future as global governments are increasingly spending money on infrastructure to uplift economic disruptions. As the emphasis on clean energy, public access to clean water, better connectivity and overall infrastructure development increases, we believe that we are well placed to leverage these opportunities and drive long-term growth.



OUR PROVEN PRAGMATIC APPROACH

Uniquely positioned to offer our clients comprehensive solutions for a broad range of complex projects, we are parallelly creating value for our shareholders. Over the years, we have been diligently strengthening our balance sheet while focusing on a profitable top-line growth.

In line with our strategy to reduce debt and invest in our future growth plans while focusing on our core competencies and expanding our international presence, we took a major step towards divesting our non-core business. This step has allowed us to realign our resources with the long-term strategy and priorities of the Company. During the year, we concluded divestment of Kohima-Mariani transmission. This marked a complete divestment of all T&D BOOT assets. Additionally, post prolonged close monitoring of our road assets, we exited the Kurukshetra Expressway asset while restructuring of other road assets is underway.



Exiting non-core



Commercial closure
of projects



Investing for
future



Building strong
teams



Tapping new growth
opportunities

We consciously chased commercial closure of projects, which helped us achieve closure of several projects during the fiscal. This helped us streamline our financial and other resources to ensure optimal utilisation.

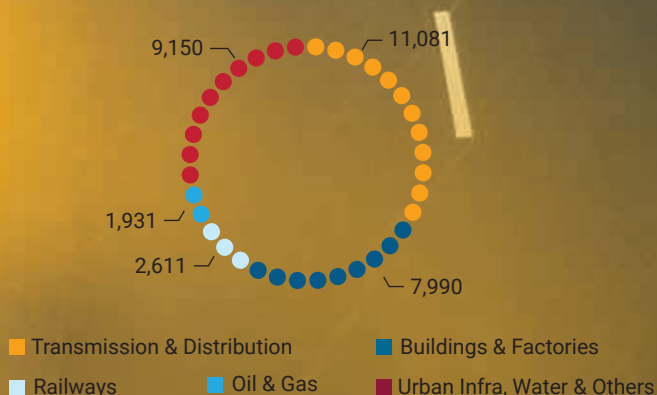
This continuing momentum in divestment of long-term assets and non-core businesses while optimising all Company resources, has enabled us execute strategy in pursuit of growth. We continued our focus on strengthening our capabilities through investments in capital expansion, technology and innovation, productivity improvement and team building.

We incurred capital expenditure of about ₹ 300 Crores during the fiscal for enhancing our capabilities to drive future growth. Our production teams rolled out initiatives like Total Productivity Management, Lean Transformation, Green Energy Alternatives, Technology Upgrades and multiple Kaizens to ensure that our facilities are operating at the highest standards and are future ready. We have created a Company backed by a strong and comprehensive digital backbone supporting all our functions and employees across levels. We have consistently invested in building strong teams across departments and business units to support our growth ambitions and enable us to achieve defined goals faster.

We have developed the entire ecosystem to drive our growth engine and have consciously taken measured steps towards tapping more growth opportunities. On these lines, 2021-22 witnessed the international expansion of our non-T&D business with the initial green shoots being visible already.

These initiatives enable us to maximise the intrinsic value of significant investments made over the last decade and further enhance our foray in a competitive business arena. We continued to deliver robust performance while securing record consolidated order inflows. All our clearly thought out steps are underpinning our efforts to allocate significant capital for investments in our core business verticals. Our selective approach in project selection has awarded us with quality orders with healthy margins and lower execution risks.

Consolidated Orderbook (₹ Crores)



BUILDING AND LEVERAGING INTEGRATED STRENGTH

- Our strong track-record of successful performance is a result of our belief that we must perform for both the present and the future. To inspire the next wave of business growth, we stay true to our core values and ensure making sound investments by keeping our employees sage and delivering outstanding value for our clients, shareholders, and communities while pursuing consistent progress.



Widespread Market
Opportunity



Delivery
Excellence



Technology-driven
Processes



Global Brand
Identity



Vision 2025

We face healthy competition across all our market segments and respond by being disciplined in our bidding, carefully managing risks, staying focused on the superior execution of our projects, providing our clients with outstanding value and adopting a conscientious approach to manage our impact on the environment and society. On the back of a strong business ethic, we have carved a niche for ourselves while performing successfully to remain at the forefront of the industry.

Heading into this new year, we are encouraged by the numerous opportunities the market holds, a growing infrastructure development landscape and the positioning our business has achieved on the back of all our efforts and strategic moves.

We are optimistic about the future possibilities driven by synergies of KPTL and JMC as it unlocks a spectrum of opportunities to prove our worth. The wider opportunity landscape of JMC and the robust balance sheet of KPTL are rightly positioned to act as a catalyst for both companies' growth. The efficiencies realised due to economies of scale and optimisation of procurement, resource deployment, banking facilities and project management, will help us further leverage on the integrated capabilities of the two companies. As we continue pursuing newer dimensions under diverse industries, the complementary capabilities position us well to enter large and more complex projects and become a comprehensive solutioning partner for our clients.

Our Group has always operated with very high regard for the society and we have always made conscious efforts to meaningfully contribute towards the betterment of the environment and upliftment of communities. With the combined strength and resources of the two companies, this merger will help us create a larger positive impact as we continue to enhance our efforts towards sustainability and providing better healthcare and education facilities to the less fortunate.

Our new identity will allow us to leverage the global brand reputation and goodwill while shaping a clear understanding of our reach and offerings among customers and partners. As multidisciplinary teams operate together and the cost synergies of the two companies kick-in, we are confident of achieving the ambitious targets we have set for the combined entity with the stipulated time frame.



ABOUT US

Established in 1981, KPTL is a leading global engineering, procurement and construction (EPC) Company with presence across 67 countries

Kalpataru Power Transmission Limited (KPTL), a part of the illustrious Kalpataru Group, is equipped with rich experience gained over the years across Power Transmission & Distribution, Buildings & Factories, Roads & Highways, Water & Irrigation, Railways & Metros and Oil & Gas.

4 Decades

Rich Experience

₹ 32,761

Order Book in Crores

₹ 14,777

Revenue in Crores

~ ₹ 5,460

Market Capitalisation on
31 March, 2022 in Crores

67

Countries

7,500+

Employees Worldwide

300+

Worksites

