KALPA-TARU

KALPATARU PROJECTS INTERNATIONAL LIMITED
(Formerly Kalpataru Power Transmission Limited)

# Synergized to Acceleratе Sustainable Growth

**Integrated Annual Report 2022-23**

# NEW IDEN

Over the past four decades, we have established ourselves as one of the most valuable brands in the EPC sector. Following the strategic amalgamation of JMC Projects (India) Limited, we have emerged as one of India's large listed diversified engineering and construction companies with an extensive global presence, along the six high-growth businesses.

We are happy to share that

Kalpataru Power Transmission Ltd.

now known as

## Kalpataru Projects International Limited.

Our new identity truly reflects our well-diversified EPC business, global presence and still imbibes the values and legacy associated with it.

- Power Transmission & Distribution
- Buildings & Factories
- Water
- Railways
- Oil & Gas
- Urban Infra

The name of the company was changed from Kalpataru Power Transmission Limited to Kalpataru Projects International Limited effective May 22nd 2023. At various places in the Integrated Annual Report 2022-23 we shall be addressing the entity as "the company", "KPIL". We shall also be referring "KPTL" at some places since the statutory reports were approved prior to the name change.

JMC Projects (India) Ltd, since amalgamated shall herein after be referred as "JMC"

# TITY

As we move forward with renewed optimism, our new identity **will continue to unify our visibility on well-diversified EPC businesses with an increasing portfolio of global projects,** and echo our commitment to create significant value for all our stakeholders.

# Inside the report

## Corporate Overview


4 - Synergized to Accelerate Sustainable Growth
6 - About Kalpataru Projects International Limited
8 - KPIL Journey – Key Milestones
10 - Geographic presence
12 - Fostering Sustainable Growth through Collaboration
14 - Chairman's message
18 - Financial highlights
20 - Our businesses
22 - Power transmission and distribution (T&D)
26 - Water
28 - Buildings and Factories
30 - Railways
32 - Urban Infrastructure
34 - Oil and Gas
36 - Biomass
38 - Growth Drivers in Sync with Global and Domestic Trends
42 - Board of Directors
46 - Experienced and Dynamic Key Management
47 - Awards and Recognition
50 - Introduction to the IR Capitals
52 - Our Value Creation Model
54 - Our Approach Towards Responsible Business
62 - Financial Capital
70 - Manufactured Capital
80 - Intellectual Capital
86 - Human Capital
96 - Social and Relationship Capital
106 - Natural Capital


## Management Reports


113 - Management Discussion and Analysis


## Statutory Reports


142 - Board's Report
168 - Report on Corporate Governance
192 - Business Responsibility and Sustainability Report


## Financial Statements


232 - Standalone Financial Statements
304 - Consolidated Financial Statements

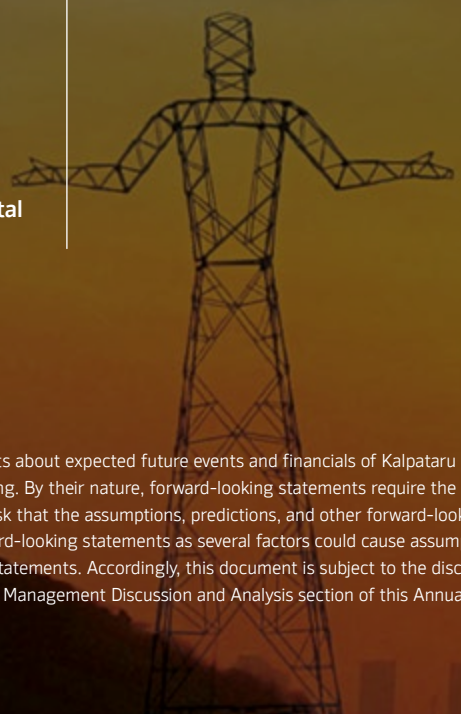

You can also find this report online on:

**www.kalpatarupower.com**

Scan above QR code to see this report online

**Investor Information**

| | |
|---|---|
| Market Capitalisation as at 31 March, 2023 | ₹ 8,692 Crores |
| CIN | L40100GJ1981PLC004281 |
| BSE Code | 522287 |
| NSE Symbol | KPIL |
| Bloomberg Code | KPIL:IN |
| AGM Date | 17 July, 2023 |



**Disclaimer:** This document contains statements about expected future events and financials of Kalpataru Projects International Limited (Formerly 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.

We are delighted to introduce Kalpataru Projects International Limited (Formerly Kalpataru Power Transmission Limited) Integrated Annual Report, which aims to offer transparency and meaningful information to our stakeholders as part of our synergy to accelerate sustainable growth. This report presents a comprehensive overview of our financial and non-financial achievements during the fiscal year 2022-23 (FY23).

Our Integrated Reports' main goal is to explain our value generation process to all stakeholders in a transparent manner. This report provides objective and comparable information on financially and non-financially significant matters The objective is to provide thorough and clear communication of our dedication to value creation and advancing sustainability.

## About The Report

Kalpataru Projects International Limited (Formerly Kalpataru Power Transmission Limited), herein referred to as the "organization" or company" or "we" or "us" or "our," is pleased to announce the release of its Integrated Report for the fiscal year 2022-23. This report has been developed in accordance with the guidelines provided by the International Integrated Framework, prescribed by the International Integrated Reporting Council (now known as the Value Reporting Foundation).

## Approach to reporting

Integrated Reports typically aim at providing a comprehensive and holistic view of an organization's performance and value creation, incorporating both financial and non-financial information. This can include information on a company's strategy, governance, environmental and social impact, risks, and opportunities, and more.

This Integrated Report aims to transparently convey KPIL's value creation story to all its stakeholders. This report discloses the Company's objectives and matters that are materially important for both financial and non-financial matters, as well as the strategy and action plan for a sustainable and inclusive development.

## Report Content

| | |
|---|---|
| **Reporting period** | FY2023 (April 1, 2022 - March 31, 2023) |
| **Reporting cycle** | Annual |

## Reporting Frameworks and Guidelines

The Integrated Report of FY 2022-23 has been developed in line with the following :

- Global Reporting Initiative Standards, 2021
- Business Responsibility and Sustainability Reporting (BRSR) based on the National Guidelines for Responsible Business Conduct (NGRBC)
- United Nations Sustainable Development Goals (UN SDGs)
- United Nations Global Compact (UNGC)
- Companies Act, 2013
- Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

## Queries regarding the Report

Your valuable input is critical to the ongoing improvement of our reporting journey. Please share your thoughts with https://kalpatarupower.com/

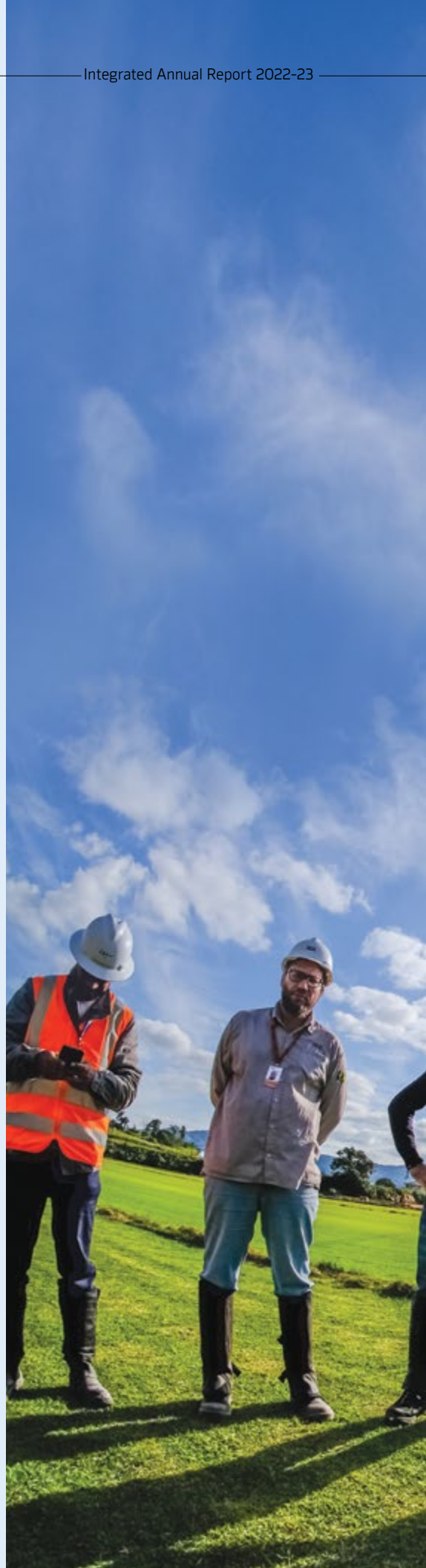
# Synergized to Accelerate Sustainable Growth

At Kalpataru Projects International Limited (Formerly Kalpataru Power Transmission Limited), our ability to stay ahead of the competition is grounded in sustainable synergies realised by the Group. Our aptitude for adopting new-age processes, extensive reliance on advanced technology and efficient capital allocation strategies make headroom for sustained profitable growth.

We realise it is these synergies that empower us to overcome challenges and remain on track to chase our vision of becoming one of the leading EPC organisations in the world. Moreover, the combined strength of KPIL and JMC has now unlocked greater opportunities to step up the scale of our operations and undertake large and complex projects and strengthen our presence in the international arena.

Our engineering expertise forms the backbone of our success and one of the key drivers of accelerated growth. Along with an acute understanding of changing market dynamics and customer expectations, we have evolved our operating methods to deliver process efficiencies and a continued track record of superior execution. It has not only allowed us to make better decisions but enabled us to stay focused on creating long-term value for our stakeholders including clients, lenders, shareholders as well as communities.

Above all, we understand that business growth cannot thrive in isolation. It provides us the impetus to indulge in sustainable practices, encompassing the core pillars of 'People, Planet and Performance' to consistently focus on issues that matters the most. We deeply acknowledge our responsibility to lay the foundation for a viable future with targeted interventions that are designed to benefit communities and broaden the way for sustainable growth.



# About Kalpataru Projects International Limited

Kalpataru Projects International Limited (Formerly Kalpataru Power Transmission Limited), a part of the Kalpataru Group, is one of India's largest listed, diversified engineering and construction companies engaged in Power Transmission & Distribution (T&D), Buildings & Factories (B&F), Water Supply & Irrigation, Railways, Oil & Gas Pipelines and Urban Infra (Flyovers, Metro Rail, Highways and Airports).

Since our inception in 1981, we continue to create sustainable value for diverse stakeholders through our cutting-edge Engineering, Procurement and Construction (EPC) solutions, making us one of the largest global players with footprint across 70 countries. Leveraging the potential of well-diversified and high-growth businesses, we have globally executed orders worth over USD 14 billion, for T&D, B&F, Water, Railways, Urban infra and Oil & Gas industries. Currently, we are executing more than 250 projects in over 30 countries. Our presence in Europe and South America has been further strengthened by the acquisition of Linjemontage, Sweden and Fasttel, Brazil.

Over the years, we have developed technologically fortified operations that boast the use of cutting-edge processes and advanced design and testing facilities, ensuring the strength and quality of our projects.

At KPIL, we continue to prioritise the key pillars of quality, environment and occupational health and safety to fulfil our commitment towards our 7,800+ employees, clients as well as other stakeholders.

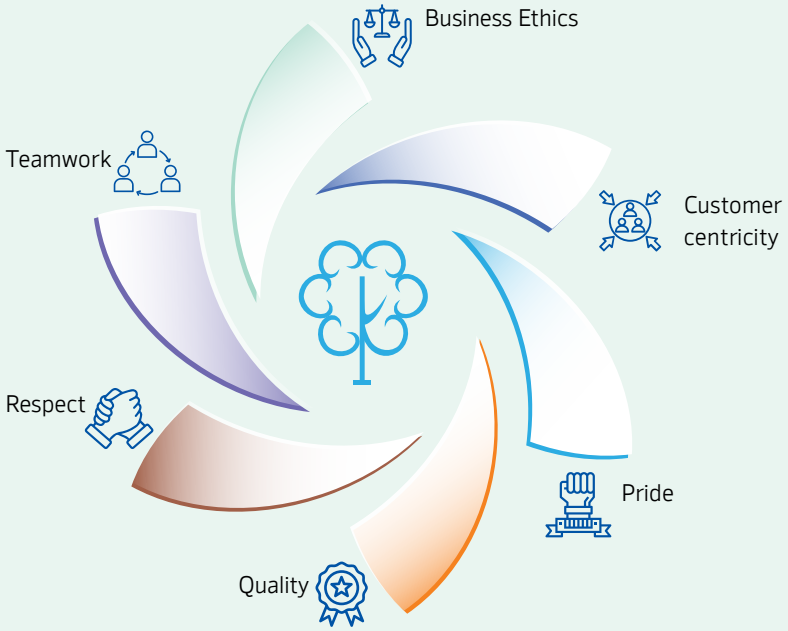
As of March 31st, 2023, our company maintains a strong order book amounting to USD 5.6 billion, accompanied by consolidated revenue of USD 2 billion.

## Vision

Kalpataru Projects International Limited (Formerly Kalpataru Power Transmission Limited) aspires to become the leading global player across all its businesses and is committed to achieving this goal by upholding its core values.

## Values

At the heart of everything we do are the six KPIL values that guide our decisions and behaviours. We are proud to live by our values and expect the same from everyone who works with or for KPIL.



**70**
Global Footprint

**$2 bn**
Revenue

**$5.6 bn**
Order Book

**7,800+**
Employees Worldwide

Experience of Over
**4 Decades**

**AA/Stable**
Credit Rating

**Well Diversified & High Growth Businesses**

**Operations Backed by Latest Technology Solutions**

**Improving ESG / Sustainability Ranking**

Data for financial year ended 31 March 2023
at consolidated level USD$ = ₹ 82.2169

## Group companies

### Linjemontage I Grastorp AB

Incorporated in 1993, the Company offers power supply solutions and services for electricity networks up to 400 kV. It operates in three core business areas: substations, transmission and local networks and electricity network services. Kalpataru Power Transmission Sweden AB (KPTS), a wholly-owned subsidiary of Kalpataru Projects International Limited (Formerly Kalpataru Power Transmission Limited) holds 100% stake in the Company, which has a presence in Sweden and Norway.

### Fasttel Engenharia S.A.

Fasttel Engenharia S.A. was incorporated in 1988 and is headquartered in Curitiba, Brazil. The Company's primary business areas include the EPC of substations, transmission lines and power distribution services. Fasttel has a presence in more than 20 states across Brazil, having built over 2,000 km of transmission line and 50 substations for various voltage ranges up to 750 kV. KPIL holds a 51% stake in Fasttel Engenharia S.A. through its wholly-owned subsidiary, Kalpataru Power Do Brasil Participacoes Ltda.

### Shree Shubham Logistics Limited

Shree Shubham Logistics Limited (SSL) is a major player in agri-logistics, focusing on the post-harvest value chain for agri-commodities. Its integrated business model includes diverse activities such as warehousing, procurement, primary processing, trading, collateral management, funding facilitation, testing, certification and pest management. SSL operates warehouses through a hub-and-spoke model across Rajasthan, Gujarat, Madhya Pradesh and Maharashtra.

# KPIL Journey – Key Milestones

## 1981-1987

- Acquired H T Power Structure Pvt. Ltd. at Gandhinagar
- Breakthrough Project- 400 kV S/C Indore - Asoj line project for Powergrid

## 1991-1995

- Awarded first 500 kV contract
- Becomes a Publicly listed company
- Awarded first 800 kV contract - Physical expense contract for Towers

## 1996-1999

- Gained the foothold and recognition from Power Utilities and Overseas Turnkey Contractors such as ABB, Sumitomo, Cegelec, Downer etc
- First Milestone of ₹ 100 Crores revenue achieved
- Export Excellence Award by Government of India
- R&D centre (Tower Testing) commissioned at Gandhinagar, capable of testing towers upto 800 kV

## 2001-2003

- First International EPC projects in Algeria and Turkey - Received 1st overseas Turnkey Contract – 380 kV in Turkey
- Setup of Biomass Plant of 7.8 MW capacity at Padampur, Rajasthan

## 2004

- Diversification into Oil & Gas Pipelines Projects
- Completion of third overseas 132 KV project for Zesco, Zambia ahead of contractual schedule in a record period of 8 months
- Domestic turnkey projects exceeding ₹ 160 Crores, including those from RRVPNL and WBSEB, followed by over 20 projects valued above ₹ 1500 Crores from Powergrid

## 2005

- Acquisition of controlling stake in JMC Projects (India) Limited
- Completion of over 900 kms of 400 KV D/C for Rihand project of Powergrid, ahead of contractual schedule
- Commissioning of Export Oriented Unit (EOU) at Gandhinagar