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Kalpataru Projects International expects to end FY24 with a revenue growth of at least 25 per cent, riding on the strong momentum in the transmission and distribution business base due to the merger of its subsidiary JMC Projects. The merger has also given the company the opportunity to participate in heavy engineering and civil projects in the country, while expanding globally.

The company ended the first half of FY24 with a 17 per cent growth in revenue at ₹8,759 crore, while net profit rose 9 per cent to ₹203 crore. It reported the highest quarterly profit in the second quarter at ₹4,518 crore.

Here are excerpts from an interview with the company's Director Amit Uplenchwar.

Could you give a quick overview of the Q2 results and how you assess them? Also, do you

expect to maintain or exceed that growth for the rest of the year?

It's the best quarter ever in terms of numbers. We have crossed ₹4,500 crore in revenue, the highest ever in a single quarter, at 19 per cent growth over last year.

Our strategy was to take a large order book across sectors, so if one slows down, the other moves. The transmission and distribution segment was exceptionally strong. And that made up for weakness in other segments, such as oil and gas. Q1 and Q2 are always slow compared to Q3 and Q4 when execution picks up.

Now, when we started the year, we were hopeful that we would get close to 30 per cent revenue growth on a full-year basis.

If we look at the international and domestic splits, how do you see each segment growing?

Both have been robust because we have now entered new geographies. We added three new countries — we are



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AMIT UPLENCHWAR
Director
Kalpataru Projects International



in Guyana and the Seychelles. Post-merger, we have been taking the erstwhile JMC verticals overseas, so we have buildings and factory projects in the Seychelles and an airport project in the Maldives.

All these are giving us a lot of visibility, so our split is getting more evenly structured. So if you look at our order book currently, we are almost 40 per cent international and 60 per cent domestic.

And order inflow is also more or less the same.

Do you expect an acceleration in domestic orders?

The transmission business in India was slow for 2-3 years. But now we have been having continuous order wins in our domestic transmission business since the start of the year. We are in a very large civil infrastructure underground railway project, which is a huge technical upgrade in terms of complexity because there are only five or six companies that do TBM tunnelling. I think we are the lowest bidder there, and

hopefully we get that contract. In the building and factory segments, there are projects up for tender virtually daily.

There is a thrust on urban infra now across the country. What kind of opportunities are you seeing there? What are the new areas that you are getting into?

We have submitted bids for the Bhopal underground metro and elevated metro. In the next 6 months, Kochi is coming up with a metro project, Bhubaneswar is coming up with a metro project, Agra is coming up with another, and Mumbai is expanding.

In the transmission business, of course, we're adding new geographies every quarter. If you look at our water business, we are now looking at large-scale water treatment plants. We are now looking at technology projects. So that's a new segment that we are adding to the water business. In terms of urban infrastructure we are looking at marine bridges. We have bid for the bridge over

the river Ganga. So we are looking at the sea link kind of projects in the government sector.

What is your focus in the international markets?

The focus for us now is Latin America. We are present practically everywhere, from Brazil, Peru, Uruguay, Guyana, to Surinam. We have a big project in Chile.

We have been building capabilities in the region over the last three years. We acquired Fastel in Brazil, and we are finishing the legacy projects. We want to focus on growth, but not at the cost of margin. In developed countries, we are looking at Australia.

We have opened an office and supplying towers there for the last 10 years, but we are one of the few Indian companies that have set up base and are actively bidding for EPC projects.

In oil and gas, we are bidding in Saudi Arabia, Oman, Abu Dhabi, and the UAE, so that is a new area for us as well and a new segment that we are pursuing.

