

KPTL

Pursuing new opportunities in transmission

The power transmission business is all set for a high growth. The massive national grid plan of Power Grid involving an investment of up to Rs 700 billion till the year 2012 and an upsurge in the SEBs' spending on the T&D networks' upgradation and modernisation are going to drive up demand in the sector.

For the Rs 3.6 billion Kalpataru Power Transmission Limited (KPTL), a leading transmission company based in Gandhinagar, Gujarat this represents a great opportunity. The company specialises in turnkey projects for EHV transmission lines (800 kV) in India and overseas. It is active in the markets of Africa, Asia and the Middle East.

KPTL is a part of the diversified Kalpataru Group which has a presence in real estate, international trading and consumer goods and services. The group holds over 77.8 per cent of equity in the transmission company. To date, KPTL has successfully executed over 6,200 km of EHV lines supplying 400,000 million tonnes (mt) to various projects. In the last five years, exports constituted 35 per cent of the total business of the company, including turnkey and supply projects.

However, in February 2004 the CERC

rejected KPTL's application (in collaboration with Tenaga Nasional Bhd of Malaysia) for a transmission licence for transmitting power on the Bina-Nagda-Dehgam 400 kV line in the states of Madhya Pradesh, Rajasthan and Gujarat. The reason for this was that the tariffs being charged by the transmission company were too high.

This was the first 100 per cent private transmission project in the country to be attempted on a BOT basis for a period of 30 years. The consortium was the sole bidder for the project in 2002.

Undeterred, KPTL has completed the turnkey job of 300 km of the 400 kV Jaipur-Merta-Jodhpur line on schedule. The company is progressing well in the execution of the 400 kV Rihand and 400 kV Tala-Siliguri phases, covering over 1,300 km. Power Grid awarded the entire evacuation network system for the Rihand project to KPTL in January 2003 for around 1,100 km of 400 kV lines covering over 3,000 tower locations and over 45,000 tonnes of tower supplies.

KPTL has also been subcontracted for projects under Power Grid's ambitious national grid programme. The present order booking is more than Rs 4.5 billion

(over 60,000 mt of supply). The projects include the 400 kV Siliguri-Purnea, Agra-Jaipur, Sipat-Seoni lines (Power Grid), and the Purulia-Durgapur line (WBSEB).

KPTL is also pumping up production. It achieved its highest ever production during the year at 48,000 mt as against 46,977 mt the previous year. Its fabrication plant has an annual installed capacity of 48,000 mt, besides possessing its own testing station and R&D centre. In fact, it was the first company in the Indian transmission industry to be ISO 9001 certified in 1994.

KPTL's finances seem to be sound. It has shown an increase in its annual revenue - Rs 3.6 billion for the year ended March 2004 as against Rs 2.7 billion in 2002-03 - a healthy growth of 34 per cent. The profit after tax increased by 58 per cent to Rs 141 million. It has a low debt-equity ratio at 1.25:1 (including working capital), which is quite comfortable compared to industry standards.

Overseas, it has successfully executed 380/400 kV turnkey jobs in Algeria and Turkey within time and cost. It was also awarded a turnkey job for a 190 km, 330 kV line of Luano-Kansanshi by Zesco Limited, Zambia. This is expected to be completed in less than a year. The company is investing Rs 100 million towards the purchase of new tension stringing equipment, tools and tackles, and streamlining material handling. It has recently won an order from the National Power Corporation of the Philippines for the purchase of suspension and dead-end transmission towers.

With a presence in renewable power, it generates power using agricultural waste and crop residues (biomass) in Rajasthan. It set up a 7.8 MW plant at Padampur in Ganganagar district in September 2003. It was commissioned in August 2003 and has generated over 20 million units during 2003-04 using biomass as fuel.

Given the high growth expected in the coming years, KPTL plans to diversify into other infrastructure areas as well. ■

Natasha Gayari

KPTL's recently won domestic orders

Customer	kV	Line	Length (km)	Tonnage (mt)
Power Grid	765	Sipat-Seoni	156	9,700
power Grid	400	Agra-jaipur	110	4,400
POWERLINKS	400	Siliguri-Purnea	162	12,320
WBSEB	400	Purulia-Durgapur (as consortium leader)	185	4,260
PGCIL	400	Rihand-II transmission system	1,149	46,247
PGCIL	400	Tala-Siliguri	214	10,912
AP Transco	400	Vizag transmission system	160	6,400
RRVNL	400	Merta-Jodhpur	120	4,800
RRVNL	400	Jaipur-Merta	190	7,200