



# Supplement Power

## Big boost for Power Transmission companies

Power sector is adding 41,000-MW capacity during the 10th five-year plan. The government is confident of crating an installed capacity of 1,00,000 MW during the 10th and 11th five-year plans. Reforms initiatives include Accelerated Power Development and Reform Programme aimed at strengthening the sub-transmission and distribution network of towns and cities all over India

### Kalpataru Power Transmission

#### Next 3 years are very good for transmission sector

**C**ompany is in power transmission sector for last two decades and expects turnover of Rs.525 Crore (up 45%) in the current year with Profit Before Tax (PBT) up by atleast 100%. It has recently taken controlling stake in JMC Projects to cash on the boom in Infrastructure Sector. Company is expecting to reach orders worth Rs.1,000 Crore in the near future.



Mofatraj P Munot,  
Director, Kalpataru  
Power Transmission

**What is the core business of the company?**

Our core business is Power Transmission, both in India and overseas, although we also have one ongoing real estate project in this company of two 23 floors buildings in Parel, Mumbai. We also have put up a 7.8 Mw Bio Mass power project in Rajasthan.

#### What are your major strengths?

Ours is a twenty year old company in Power transmission sector with confirmed and expected orders of worth Rs.800 Crore and we are looking to →

reach Rs.1000 Crore very soon. We are very good at project management. Our tower plant producing 48,000 MT's is running at 88% capacity utilization and we have unique advantage of office building and plant at one place resulting in substantial cost savings for the company. Recently we have finished capital expenditure plan of Rs. 15 Crores. We have completed 6200 km. of line and are now working on over 2000 Kms line. Over 800 Kms of our 400 Kv line for Rihand is expected to be completed in January / February 2005, much ahead of client schedule. It is a part of the diversified 200 Million USD Kalpataru Group which has a presence in Real Estate / Property Development, International Trading etc.

We have one of the largest and modern Fabrication Plant with an annual installed capacity of 54,000 MTs equipped with modern machineries (including 5 CNC machines) and automated temperature controlled Galvanising Bath, besides its own state-of-the-art Testing Station and R & D Centre. It was the first company in 1994 in the Indian transmission industry to be ISO 9001 certified. For the first half for the period ended sept 04, company has achieved EPS of Rs7.51 compared to 3.69 in Sept. '03.

### What is your growth strategy?

We are finalizing a major Capital Expenditure Plan, which will include a new Tower Fabrication Plant, besides further investments in Power & Infrastructure Sectors.

### What is the challenge?

We have grown from Rs 150 Crores in year 2001-2002 to Rs 750 Crores in year 2004-2005 ( including JMC Projects) in three years (over 5 folds) and would like to maintain our growth momentum.

### What benefits your company will have by taking stake in JMC Projects?

We see synergy in the Construction business. We are in power transmission and JMC is in



**JMC is expected to cross Rs 225-crore turnover in year 2004-2005. JMC has good exposure of building software parks and factory buildings. We expect good boom in this sector in the next five years**

construction of Industrial structures, Buildings, Roads and Bridges. JMC is expected to cross Rs 225-crore turnover in year 2004-2005. JMC has good exposure of building software parks and factory buildings. We expect good boom in this sector in the next five years.

### What is the progress on foreign projects?

With a strong thrust on Overseas markets, we have already exported Towers to South East Asia: Philippines, Malaysia, Vietnam, Indonesia, Thailand Bangladesh, Middle East: Syria, Turkey, UAE, Africa: Algeria Ethiopia, Zambia, Australia, Mexico /Peru. We have made bid for a project in Libya for project worth 1 Billion US\$ in consortium with KEC.

### How much strong is the professional board?

Vimal Bhandari, Director, IL& FS (Ex) and Director of AEGON is on our board. Also J C Shah, Ex chairman of Gujarat Electricity Board is our Director, besides Mr S.R.Mehta, an independent finance professional.

### How company is doing on the exports front?

Last five years' average exports have been 35% of our turnover and overall exports so far have been to the tune of US \$100 million. We have exported over 100,000 MT's to over 15 countries and completed turnkey jobs in Algeria, Zambia , Turkey, all within time schedule.

### What is your market share in power transmission sector?

We have 20% market share in power transmission sector

### What is the future of Power Transmission Sector?

Next three to five years are very bright for power transmission sector, both in India and overseas and we are well poised to seize the opportunity.