

**KALPATARU®****KALPATARU POWER TRANSMISSION LIMITED**

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KPTL/21-22
February 19, 2022

BSE Limited Corporate Relationship Department Phiroze Jeejeebhoy Towers Dalal Street, Fort MUMBAI - 400 001. <u>Script Code: 522287</u> Listing: http://listing.bseindia.com	National Stock Exchange of India Ltd. 'Exchange Plaza', C-1, Block 'G', Bandra-Kurla Complex Bandra (E) MUMBAI – 400 051. <u>Script Code : KALPATPOWR</u> Listing: https://neaps.nseindia.com/NEWLISTINGCORP/
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Sub.: Investor's / Analyst Presentation

Respected Sir/ Madam,

In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to forward herewith a copy of Investor's / Analyst Presentation on amalgamation of JMC Projects (India) Limited with the Company.

Kindly take note of the same on your records.

Thanking you,

Yours faithfully,
For Kalpataru Power Transmission Limited

Rajeev Kumar
Company Secretary

Encl.: a/a



ISO 9001 CERTIFIED COMPANY

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MERGER OF JMC & KPTL

Compelling Combination to Make India's Leading EPC Company

Investor Presentation

19th February 2022

This presentation has been prepared by Kalpataru Power Transmission Limited (KPTL) and JMC Projects (India) Limited (JMC) for information purposes only and in relation to a proposed scheme of amalgamation of JMC with KPTL. This is solely for the use of persons to whom it is addressed. By attending the meeting where this presentation is made, or by reading the slides of this presentation, you agree to be bound by the following conditions.

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1. Building a Global EPC Leader

2. Transaction Details

3. Vision 2025

Building a Global EPC Leader

Merger of JMC Projects (India) Limited into Kalpataru Power Transmission Limited would create one of India's largest EPC and civil contracting companies with large global footprint

Consolidated Annual Revenue*
INR 14,000+ Crores

Combined Order Book (Incl. L1)**
INR 37,000+ Crores

International Footprint
67 Countries

Employee base
7,500+
Across technical and corporate

Diverse and Complementary Portfolio



Power Transmission & Distribution



Railways



Oil & Gas



Buildings and Factories



Water



Urban Infra

Clear focus to establish a stable and mature organization (1/2)

Setting up for SUCCESS by leveraging synergies and streamlining of systems and processes

1. Strategic Capital Allocation:

- Exited majority of the non-core businesses while rest to be exited / restructured soon
- Investing in organic and inorganic growth within core focused EPC infrastructure sectors

2. Consistently improving Return Ratios:

- Consolidated ROCE improved by ~650 bps over last 5 fiscals (FY17 to FY21) to reach ~20%
- ROE at consolidated level improved by ~1000 bps over last 5 fiscals (FY17 to FY21) to reach ~18%

3. Reduction in Debt Levels:

- Consolidated Net Debt at the end of Dec-21 was Rs.2,044 Crores, a decline of ~INR 300 crores YoY

4. Consistency in rewarding shareholders

- Regular dividend payout and capital return through buyback program

Clear focus to establish a stable and mature organization (2/2)

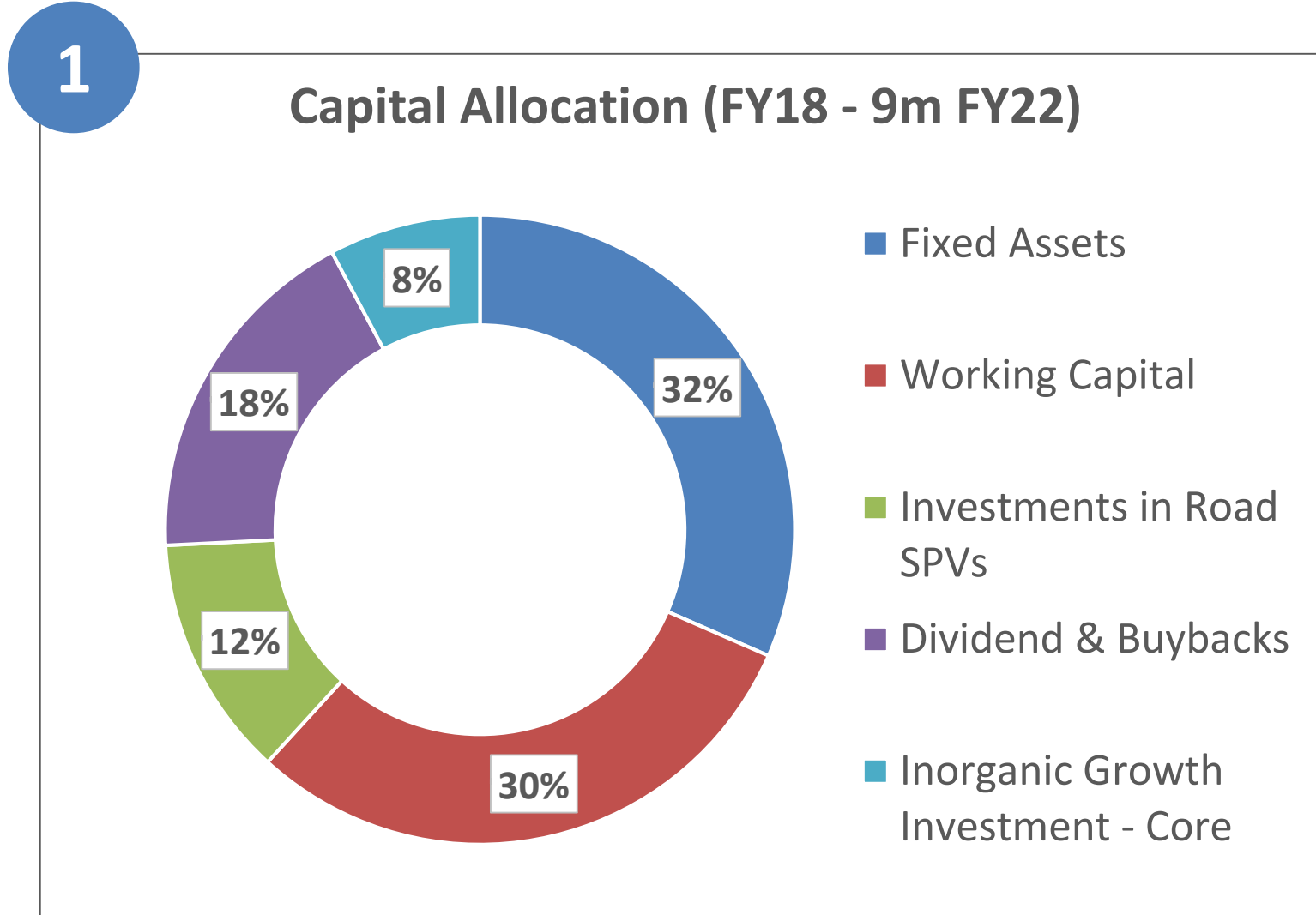
Setting up for SUCCESS by leveraging synergies and streamlining of systems and processes

5. Capability integration across businesses and support functions:

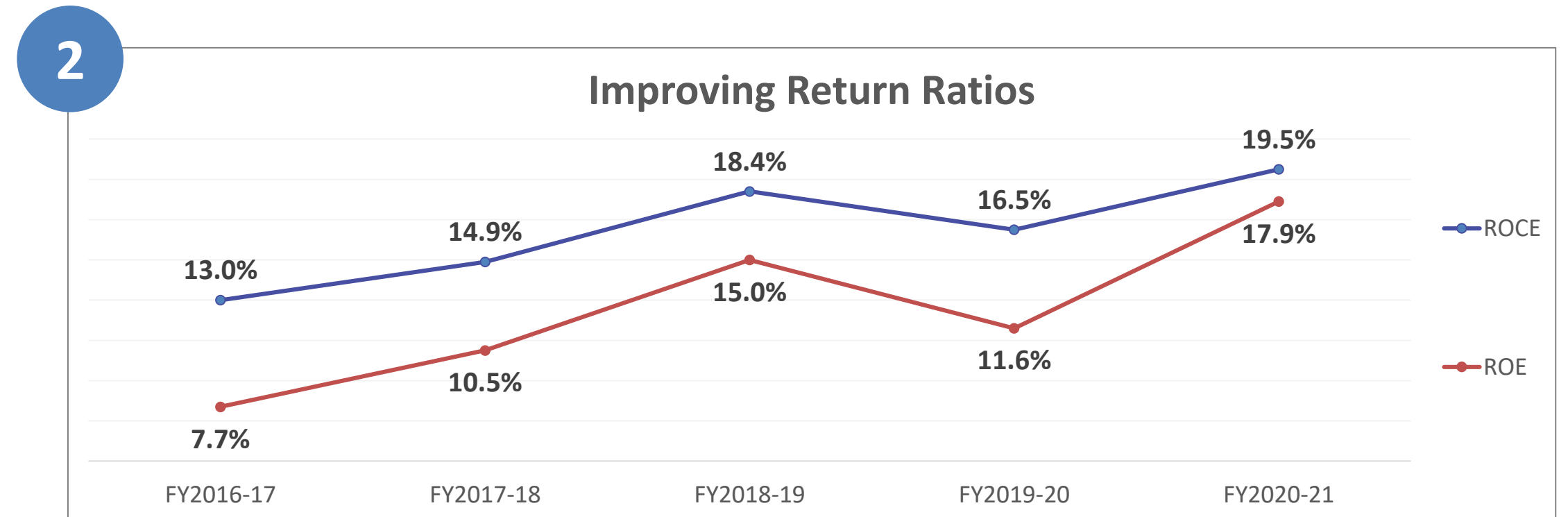
- Technology integration across platforms
- Synchronized project management tools with last mile data collection and analytics systems
- Better organization design, cultural diversity, uniform HR practices and policies
- Common ESG Strategic Framework

6. Leadership Team:

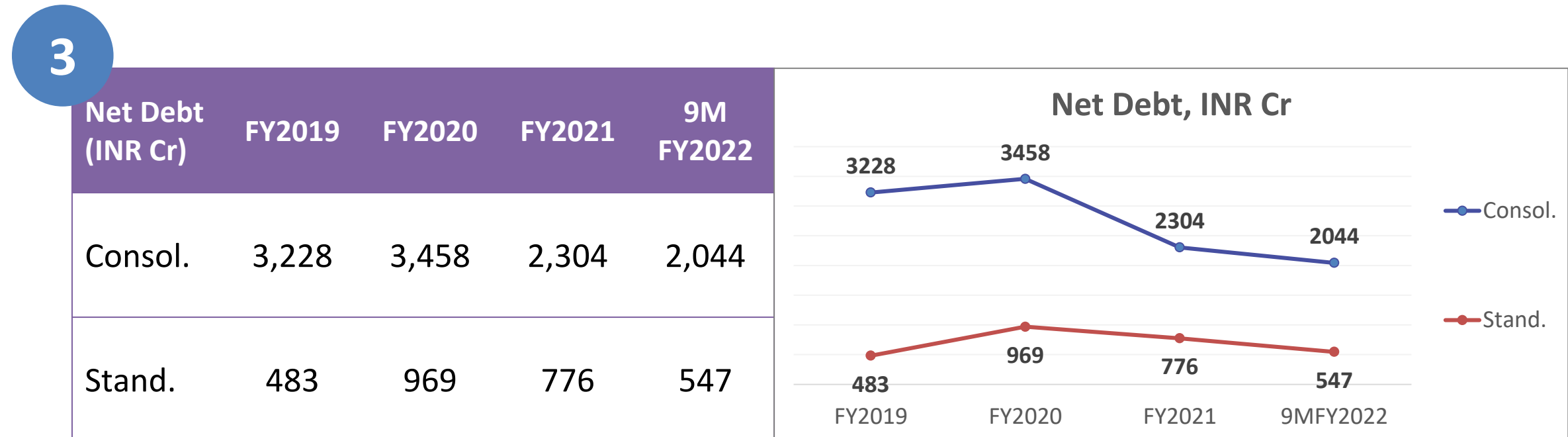
- Experienced professionals and industry stalwarts managing individual businesses across companies
- Strong leadership layers established across each business unit with robust succession plans



- ~62% directed towards business and organic growth (fixed assets + working capital)
- 18% shared with shareholders through dividends and buyback
- 8% investment in inorganic growth of core business



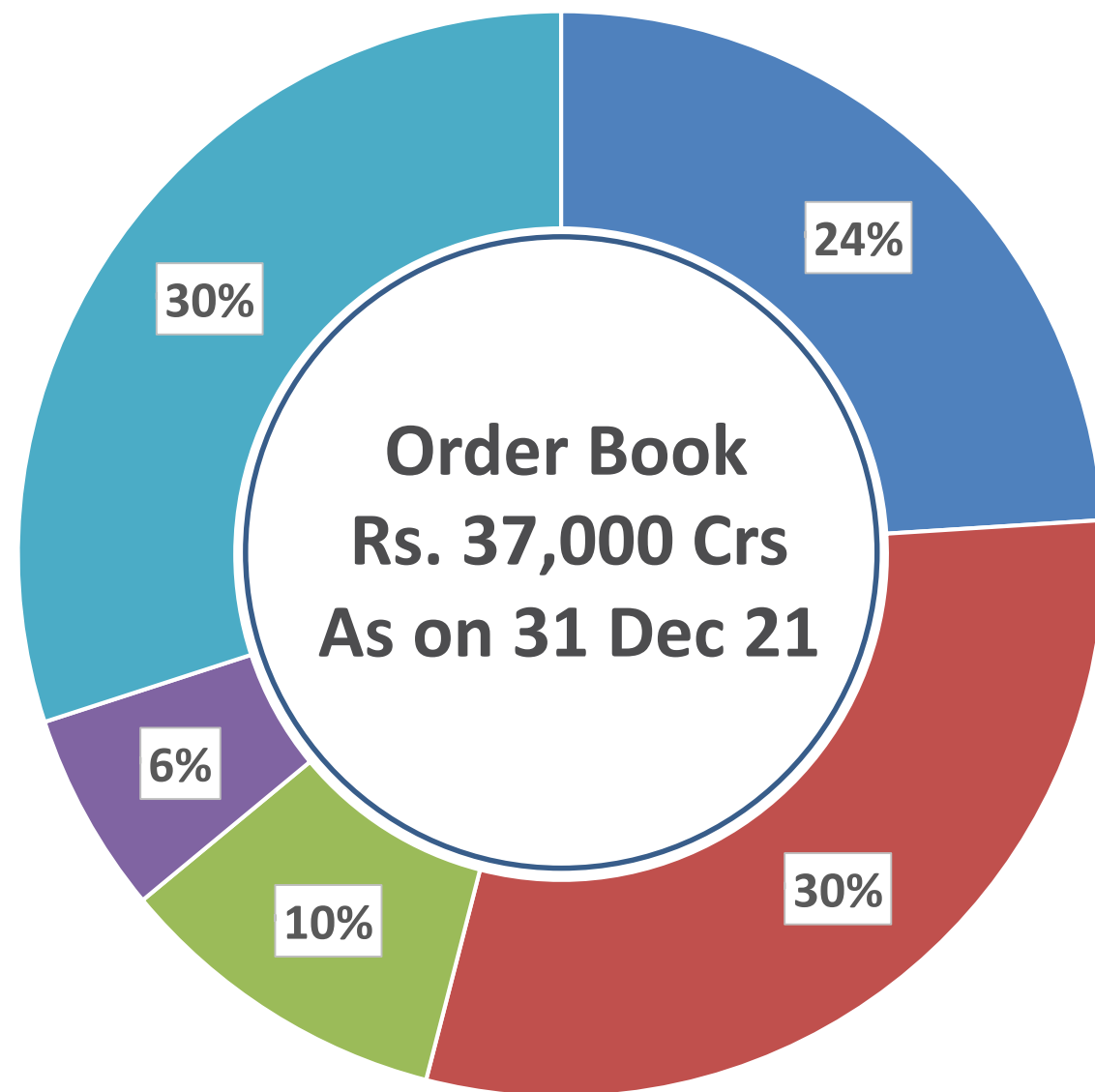
- Return ratios on a growth trajectory over last 5 years
- Further improvement expected as the merger provides cost synergies aiding margins



- Consistent reduction in debt levels of the company

Prudent capital allocation for business growth, improving return ratios and consistent reduction of debt level

Merger leading to diversified Order Book (including L1)



■ T&D ■ B&F ■ Railways ■ Oil & Gas ■ Water

Domestic	65%
International	35%

Fixed	40%
Variable	60%

Consolidated Order Inflows (in INR Cr)	
FY18	12,680
FY19	13,969
FY20	9,887
FY21	16,359
YTFY22	14,348

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Structure

- JMC Projects (India) Ltd. (JMC) to be merged with Kalpataru Power Transmission Limited (KPTL) in terms of the proposed scheme of amalgamation
- Upon amalgamation, subsidiaries of JMC will become subsidiaries of KPTL
- Shareholders of JMC to be issued fresh shares of KPTL as per the proposed swap ratio
- Shareholding of KPTL in JMC to be cancelled as per the proposed scheme of amalgamation

Swap Ratio

- Every shareholder of JMC holding four shares in JMC would get one share in KPTL

Advisors

- **Valuers:** Ernst & Young (EY) and Drushti Desai (Partner at Bansil S. Mehta & Co.)
- **Fairness Opinion:** JM Financial Ltd. and Anand Rathi Advisors
- **Legal Advisors:** Khaitan & Co

Timelines

- The merger is expected to be completed by Q4 FY23

1. Revenue Synergies

- Merger will drive accelerated profitable growth of 15% CAGR up to 2025
- Expansion and growth of all businesses into the international markets
- Combined entity better positioned for PQs and larger and complex infrastructure orders

2. Cost Synergies

- Significant cost-out synergies are expected in overheads to the tune of Rs.100 Crores. Further meaningful synergies expected through operational aspects, productivity improvement and resource optimization
- Systems and process optimization to provide synergies, resulting in margin improvement
- Adoption of best practices in enhancing mechanisation/ automation of various processes through latest technologies

3. Superior Balance Sheet Strength

- Achieve stronger and wider capital and financial base for future growth
- More efficient allocation of capital and cash management

Value Creation for both KPTL & JMC Shareholders – a win-win combination

Simplified Corporate Structure

Existing

Promoter Holding: **51.58%**

Public Holding: **48.42%**

Kalpataru Power
Transmission Limited

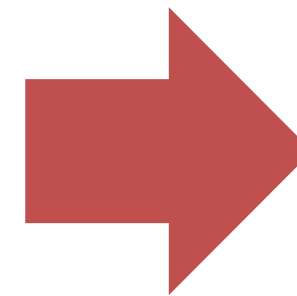
Promoter Holding:
67.75%

Public Holding:
32.25%

JMC Projects
(India) Ltd.

Other Subsidiaries &
JVs

Road BOOT SPVs / JV &
Subsidiaries



Proposed

Promoter Holding: **47.28%**

Public Holding: **52.72%**

Kalpataru Power Transmission
Limited + JMC Projects (India)
Ltd.

Road BOOT SPVs / JV &
Subsidiaries

Other Subsidiaries &
JVs

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MERGED ENTITY - VISION 2025



JMC Projects (India) Limited

The Next Strategic Step in Our Transformation



Power Transmission & Distribution



Buildings & Factories



Oil & Gas



Railways



Urban Infra



Water

Consolidated Annual Revenue
USD 3 Billion

Order Book
USD 6 Billion

Improved Return Ratios
22%+
Return on Capital Employed

International Footprint in
100 countries
with local presence in
5 Countries

Partner of choice
for stakeholders

Organization with focus on
ESG
Best-in-Class ratings

Key Leadership Team



Mofatraj P. Munot
Executive Chairman



Parag Munot
Promoter Director



Manish Mohnot
Managing Director & CEO



S K Tripathi
Managing Director & CEO
JMC Projects (India) Ltd.



Sanjay Dalmia
Executive Director –
International Business



Amit Uplenchwar
Director
Group Strategy &
Subsidiaries



Ram Patodia
President & CFO



Manishankar Baraiya
Head – Group HR

Mr. Rajeev Dalela	T&D (India & SAARC)
Mr. Gyan Prakash	Oil & Gas
Mr. Jitendra Kumar Jain	Railway
Mr. D N Reddy	B&F (International)
Mr. G M Shanthakumar	B&F (South)
Mr. Subramanian Sadasivam	B&F (East, West & North)
Mr. Shaibal Roy	Urban Infra
Mr. Om Prakash Pandey	Water
Mr. K K Jain	Chief Ethics Officer

Mr. Ramesh Bhootra	T&D (International)
Mr. Srinivasan Kumaradevan	Manufacturing
Mr. G L Gupta	Group Procurement
Mr. Saugata Basu	Group IT
Mr. Lalit Kumar Tiwari	Group EHS
Mr. Uday Pawar	Group Assurance
Mr. Azad Shaw	CFO, JMC
Mr. Narayanan Neelakanteswaran	Central PMO
Mr. Deepak Saxena	HR, JMC

Unlocking Value
Enriching Stakeholders
Establishing Global EPC Leadership

The background features a large purple triangle on the left side, pointing towards the center. Overlapping this is a smaller, semi-transparent blue triangle pointing towards the top right. The text 'Thank You' is centered over the intersection of these shapes.

Thank You

Contact

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