

**KALPA-TARU®****KALPATARU POWER TRANSMISSION LIMITED**

Factory & Registered Office :
Plot No. 101, Part-III, G.I.D.C. Estate, Sector-28,
Gandhinagar-382 028, Gujarat. India.
Tel. : +91 79 232 14000
Fax : +91 79 232 11951/52/66/71
E-mail : mktg@kalpatarupower.com
CIN : L40100GJ1981PLC004281

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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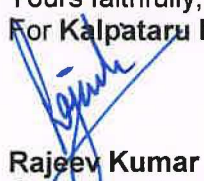
Sub.: Press Release

Respected Sir(s),

In terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a copy of Press Release titled "**MERGER OF JMC PROJECTS (INDIA) LIMITED INTO KALPATARU POWER TRANSMISSION LIMITED.**"

Thanking you,

Yours faithfully,
For Kalpataru Power Transmission Limited


Rajeev Kumar
Company Secretary

Encl.: a/a

**ISO 9001 CERTIFIED COMPANY**

Corporate Office : 81, Kalpataru Synergy, Opp. Grand Hyatt, Santacruz (E), Mumbai-400 055. India.
Tel. : +91 22 3064 2100 ■ Fax : +91 22 3064 2500 ■ www.kalpatarupower.com

MERGER OF JMC PROJECTS (INDIA) LIMITED INTO KALPATARU POWER TRANSMISSION LIMITED

TO CREATE ONE OF INDIA'S LARGEST EPC COMPANIES IN THE AREAS OF POWER TRANSMISSION, BUILDINGS & FACTORIES, RAILWAYS, OIL & GAS, WATER AND HEAVY CIVIL

- *Transaction between Kalpataru Power Transmission Limited (KPTL) and JMC Projects (India) Limited (JMC) is an all-equity merger; Shareholders of JMC (other than KPTL) shall be issued equity shares of KPTL in the ratio of 4:1*
- *The combination of KPTL and JMC by way of merger will create one of the largest EPC companies in India, with orderbook (including L1) in excess of Rs.37,000 Crore and project footprint spanning 67 countries*
- *Create an integrated entity with enhanced engineering, automated & mechanized processes, strong risk management framework, better project management tools and enhanced client reach*
- *Significant synergies to enhance shareholder value. Potential to drive further organic growth in core businesses by targeting large size projects, sectoral global expansion and enhanced competitiveness leading to better financial performance*
- *This will be a single listed entity with a strong balance sheet, simplified capital structure and with sector leading credit profile*

Mumbai | Saturday, 19 February 2022 | The Board of Directors of Kalpataru Power Transmission Ltd. (KPTL) and JMC Projects (India) Ltd. (JMC) in their respective meetings held on 19th February 2022 have approved the scheme of amalgamation which inter alia provides for the merger of JMC with KPTL (Scheme). This merger brings together two leading organizations with unique sets of capabilities and complementary businesses in the current attractive EPC markets. The merger will accelerate growth and enhance value creation for all stakeholders.

Pursuant to the Scheme, JMC's shareholders (other than KPTL) will be allotted one share of KPTL against every four shares held by them in JMC.

Strategic Rationale: Complementing Strengths, Enabling Future Growth

Scale and Strategic Diversification:

The combined entity (post-merger) will possess a sectorally diversified portfolio of engineering and heavy construction capabilities, thereby creating one of the largest EPC companies in India with an estimated order book visibility (including L1) in excess of Rs. 37,000 Crore. This entity will be present across all high growth sectors, with significant capital allocation across Government spend in the year(s) to come.



T&D



Oil & Gas



Railways



B&F



Urban Infra



Water

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Ph: 079 2321 4000 Fax: 079 2321 1966i

The merger will also enhance KPTL's business portfolio and pre-qualifications by JMC's expertise in civil works business. At the same time, JMC will be able to leverage KPTL's expertise, global business access and financial flexibility, to pursue value-creating opportunities by expanding the current business and bid for large-size infrastructure projects. The merger will drive immense operational synergies and cross learnings, thereby improving competitiveness to increase scale and relevance both in India and international EPC markets.

Enhanced Global Market Presence:

The combined entity will have footprints in over 65 countries across 5 continents. With JMC's proven civil works business capabilities, KPTL's strong global footprint with ability to deliver projects on a global scale will result in significant opportunities for growth in existing and new geographies. KPTL's local presence in Sweden and Brazil will also help to diversify into non-T&D businesses in these geographies.

Best-in-class Management and People Expertise:

The combined entity will benefit from collective management expertise and one of the best-in-class workforces with deep expertise and strong complementary cultures. The collective management expertise, would in turn enhance the overall corporate capability, provide focused strategic leadership and ability to operate a large business structure. As a single organization, the collective workforce will benefit from expanded opportunities for career development and growth.

Financial Benefits:

Post-merger, the combined entity will comprise of several high-growth businesses with leadership positions in T&D, B&F, Water, Railways, Oil & Gas Pipeline and Urban Infra, which provides balanced earnings visibility and a resilient portfolio.

The combined entity will be able to drive a lot of operational synergies and scale effectiveness in areas like procurement, supply chain and technology. Additionally, synergies will be achieved from the increased scale of the new organization, the sharing of best practices and cost reductions.

Further, the combined entity can maintain a strong balance sheet and credit profile, which has the potential to optimise liquidity and reduce cost of financing, leading to better profitability.

The success and scale of the combined business ensures funding capacity and flexibility for simultaneous investment in core business, debt reduction and capital return to shareholders. Our ethos of adopting a prudent approach towards maintaining a strong balance sheet, profitability focus, growth and industry leading credit profile will continue to be a force to reckon with.



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Commenting on the merger, **Mr. Mofatraj Munot, Chairman, KPTL** said “Today, we have taken an important step in our efforts and vision to create a leading global EPC company. Over the past decade, at both KPTL and JMC, we have relentlessly focused to develop best in class project execution capabilities, robust systems and processes, strong leadership teams, strengthened balance sheet, diversified business lines and extended our geographical reach. By bringing together these two companies through merger, we are creating a strong platform to accelerate future growth, improve our competitive position and bring significant operational efficiencies. I am confident that the proposed merger of JMC into KPTL will enhance value for shareholders of both the Companies.”

Mr. Manish Mohnot, Managing Director & CEO, KPTL said, “The merger of KPTL and JMC is a significant milestone for all of us, as both the entities come together to drive the next phase of growth and value creation. The combined businesses present a significant opportunity to increase scale and relevance both in India and international EPC market. KPTL has strong domestic and overseas presence with strong balance sheet and financial flexibility, while in high-growth civil business verticals, JMC provides a strong platform which is highly complementary to KPTL’s strengths. KPTL and JMC will leverage each other’s respective capabilities to create value for both our shareholders through a successful combination of our franchises.

KPTL will continue with its efforts to divest non-core investments in order to strengthen its balance sheet. We will drive a vision of being a USD 3 billion revenue organisation by 2025, with strong balance sheet and stable margins.”

Mr. Shailendra Kumar Tripathi, MD and CEO, JMC expressed that the, “Merger of JMC with KPTL is an important step in our growth journey. KPTL brings several unique advantages and the merger will help in realization of combined benefits of the two companies. It will be an exciting journey for the group and has immense potential to create attractive value for our customers, employees and other stakeholders.”

Timing and Approvals

With the appointed date of 1st April, 2022, the merger process is expected to be completed in Q4FY23. The merger is subject to approvals from the Gujarat bench of Hon’ble National Company Law Tribunal, statutory authorities, stock exchanges, shareholders, creditors and such other authorities, as may be required.

Advisors

- Independent Valuers: Ernst & Young (EY) for KPTL and Drushti R Desai (Partner at Bansil S. Mehta & Co.) for JMC
- Fairness Opinion: JM Financial for KPTL and Anand Rathi Advisors for JMC
- Legal Advisor: Khaitan & Co for KPTL and JMC



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About Kalpataru Power Transmission Limited (KPTL)

KPTL is one of the largest specialized EPC companies engaged in power transmission & distribution, oil & gas pipeline, railways and civil infrastructure business. KPTL is currently executing projects in over 40 countries and has global footprints in 67 countries. KPTL has maintained leadership position in all its major business backed by strong organisational capabilities, superior technical knowhow, and adherence to top-class sustainability standards.

About JMC Projects (India) Limited

JMC Projects (India) Limited (JMC), a subsidiary of Kalpataru Power Transmission Limited, is one of the leading civil construction and infrastructure EPC Company in India having over three decades of experience. With its strong focus on quality backed with proficient project management and execution capabilities, JMC has emerged market leader in the verticals of Buildings & Factories (B&F), Water, Urban Infrastructure and Heavy Civil. JMC has have been involved in the construction of landmark edifices and has developed expertise in areas like highways, expressways, bridges, flyovers, townships, high-rise buildings, commercial buildings, IT-ITES parks, hospitals, educational complexes, industrial units, metro rail, water supply and power plants. JMC has expanded its operations in the international EPC market with presence in Sri Lanka, Ethiopia, Mongolia and Maldives.



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