

CHAIRMAN'S SPEECH

Speech by Mr. D. P. Tantia, Chairman GPT Infraprojects Limited at the 36th
Annual General Meeting of GPT Infraprojects Limited on 19th August 2016
held in Kolkata, India

Ladies and Gentleman

I welcome you to the 36th Annual General Meeting of GPT Infraprojects Limited and for the first time after listing on the National Stock Exchange (NSE).

At GPT Infraprojects Limited, we believe that these are the most promising days for our Country, Business and Company.

As an immediate validation of this overarching statement is the fact that GPT Infraprojects reported its highest-ever topline, operating profits and order book during the year under review. The convergence of these three realities indicates a deeper transformation in our operating fundamentals than would be immediately evident; they indicate that the Company has rebounded faster than the sectoral average and is likely to sustain this rebound across the foreseeable future.

The result of this pursuit is quite evident in our numbers and the quality of the numbers speak for themselves, representing a rebound in the growth trajectory.

Let me take you through the Company's performance in the last financial year -

- For the year 2015-16, the total revenue of the Company stands at Rs. 361 Crores and Rs 509 Crores in comparison with the previous year revenue of

Rs 250 Crores and Rs 392 Crores for standalone and consolidated respectively, a growth of 30% on a consolidated basis.

- EBIDTA for the year under review was Rs 58 Cores and Rs 74 Crore in comparison with the previous year EBITDA of Rs 45 Crore and Rs 61 Crore for standalone and consolidated respectively.
- PAT for the year under review was Rs 984 lacs and Rs 1,282 lacs in comparison with the previous year amounting to Rs 108 lacs and Rs 416 lacs for standalone and consolidated respectively.
- Our Concrete Sleeper business recorded a total income of Rs 28 Crore and Rs 88 Crore in 2014-15 in comparison with the previous year amounting to Rs 28 Crore and Rs 91 Crore for standalone and consolidated respectively.
- The production in the manufacturing facilities set up in Tsumeb, Namibia for the manufacture and supply of concrete sleepers in joint venture with TransNamib Holdings Limited, Namibia namely GPT TransNamib Concrete Sleepers (Pty.) Limited has recorded the highest ever revenue of N\$ 73 Million (Rs 35 Crore) and net profit after tax N\$ 8 Million (Rs 3.9 Crore) and capacity of the same has been enhanced from 125,000 to 200,000 sleepers per year.
- The manufacture and supply of concrete sleeper at the Company's South African subsidiary namely GPT Concrete Products South Africa (Pty.) Limited is smoothly progressing and the said subsidiary has recorded the highest ever turnover of ZAR 99 Million (Rs 48 Crore) and a PAT of ZAR 3.4 Million (Rs 1.6 Crore).
- Our Infrastructure business has done exceedingly well and contributed revenue of Rs 327 Crore and Rs 414 Crore for the year in comparison with

- the previous year amounting to Rs. 205 Crore and Rs. 290 Crore for standalone and consolidated respectively.
- Net Working Capital Cycle declined from 238 days of revenue equivalent to 169 days in 2015-16
 - Interest Cover Improved from 1.5x to 1.9x
 - Highest ever net order book of Rs 1,650 Cr as on 31st March 2016
 - Market Capitalization grew from Rs. 180 Cr as on 31st March 2015 to Rs. 321 Cr as on 31st March 2016. As on date the same stands at about Rs. 350 Cr.
 - The Board had recommended and paid total interim dividend of Rs 2 per equity share (i.e. 20% of face value) to the shareholders during the year ended 31st March 2016.

Some of the key highlights since the last AGM :-

- We completed the construction of the Road Over Bridge (ROB) at Bardhaman Railway Station having a project cost of Rs 115 Cr, which is a Cable Stayed Bridge and has been recognized as the most innovative structure by Railways in the last year
- We were successfully able to dismantle the fallen portion of the Vivekananda Flyover in the city in a time of 21 days, 9 days ahead of schedule working 24x21. I especially congratulate the entire team for their diligent effort for which I have received numerous congratulatory messages.
- We bagged a Rs 246 Crore order (the largest in the history of the Company) for manufacture and supply of 15 lakh sleepers for the Eastern DFC by setting up 2 factories in UP, under a World Bank funded contract.

- The Board has also adopted a formal Dividend Policy for the shareholders of the Company last year
- We got listed on the National Stock Exchange on 11th July 2016
- The Board has recommended to the shareholders an enabling resolution for raising upto Rs 75 Cr in their meeting held on 10th August 2016.
- The Board has announced an Interim Dividend for 2016-17 of Re 1 per share (i.e. 10% of face value) in their meeting held on 10th August 2016

The key driver of improvement in our performance during the year under review has been the dramatic transformation in the way the country's government is taking initiatives to revive the Indian infrastructure sector. After years of underinvestment, a budgetary allocation of Rs 221,246 cr was made for 2016-17 with Rs 97,000 cr assigned for roads, Rs 121,000 cr railways and the balance for other infrastructure works. We believe that such an infrastructural thrust by the government presents immense opportunities for companies like us.

At GPT Infraprojects, we believe that one of the most visible trickle-down impacts of the country's intention to invest in its rail sector is likely to be in the extensive building of new bridges and the extensive makeover of existing ones. All unmanned level crossings are to be eliminated by 2020. Besides, there are an estimated 1,200 bridges in India, the majority of pre-Independence vintage needing rehabilitation.

In addition to the already announced Eastern and Western Dedicated Freight corridors, wherein a major part of the contracts have already been awarded and the target is to commission the same by 2020, the Railways have also announced a preliminary study for the construction of three new freight corridors, i.e., East-

West, North-South and East Coast, which will entail construction of 5,769 km of railway tracks.

As a Company that largely specializes in this niche of the large infrastructure and rail sector, we are faced with the prospect of a large number of profitable projects across the foreseeable future, virtually combining volume with value and visibility. We are bringing to this unprecedented opportunity a sense of preparedness. We are commissioning two concrete sleeper factories to capitalise on the Dedicated Freight Corridor opportunity in Uttar Pradesh. We are also planning to match or surpass completion targets of bridge projects and strengthening our brand as a differentiated bridge-building Company.

Performance Ambitions

- Treble Revenues to Rs 1,500 Crores by 2020
- Have revenue visibility of 30 months
- Maintain Debt Equity Ratio below 1.25x
- Maintain Interest cover greater than 2.5x
- Reduce Net Working Capital Days to less than 100 days by 2018
- Become a recognized bridge construction company and a concrete sleeper manufacturer globally

I congratulate my entire team, which is dedicated, loyal and hardworking towards the group for achieving the results for 2015-16 and expect them to achieve even higher numbers in the coming years.

I seize this opportunity to thank all shareholders, employees, customers, suppliers, vendors, bankers and other stakeholders, who have made our journey



since inception smooth and rewarding through their continued support and patronage.

At GPT Infraprojects, we believe that in the infrastructure sector it is indeed possible to grow larger while enhancing one's profitability.

This is the optimism that I intend to extend to all our shareholders.

Thank you

DP Tantia
Chairman

(This does not purport to be the proceedings of the Annual General Meeting)