

## CHAIRMAN'S SPEECH

### Speech of Mr DP Tantia, Chairman, GPT Infraprojects Limited at the 40<sup>th</sup> AGM of GPT Infraprojects Limited on 21<sup>st</sup> August 2020 at 3 PM via Video Conference / OAVM

My dear Shareholders,

I welcome you to the 40<sup>th</sup> Annual General Meeting of the Company being held today via Video Conference due to the current Covid-19 pandemic and unprecedented times.

At the outset I hope all of you and your family and friends are healthy and safe.

As you all are aware, the country and the world at large is facing one of its major crisis (Covid-19), which has led to change in the lifestyle of the entire population and something no one ever imagined in their lifetime. The last such pandemic was the Spanish Flu in 1920, which is estimated to have resulted in around 5 Crore deaths and created a mass crisis in the world economy.

The Government of India announced a nation wide lockdown on the midnight of 24<sup>th</sup> March 2020 to tackle this pandemic and also create the necessary health infrastructure to handle such patients, develop the awareness amongst its citizens (Mask, Social Distancing and Hand Wash).

Due to this pandemic the economy of the country and the world is going through a rough cycle and we at GPT cannot be insulated from the same. However, we have developed various SOPs as advised by the Government and local authorities in order to restart the work as allowed in the end of April 2020 with the limited manpower and resources due to lockdown constraints. The Corporate Office of the company also resumed partial operations from 5<sup>th</sup> May 2020 as allowed by the Government of West Bengal and is currently running with restricted strength given the growing nature of this disease currently. Our priority has always been the safety of our team members and their immediate family members, which is reflected by the fact that we are still running with zero Covid positive amongst the team members.

We have introduced various tools like Video Conference, remote access and work from home, which allows the team members to perform their activities efficiently while also ensuring their safety. We already had SAP deployed across all factories and project

locations, which allows the management better control on the operations despite remote monitoring in these Covid times.

### **Performance of the Company**

Despite facing the headwinds of Covid-19 in March 2020, the revenue from operations has grown by 5.2%. As expected the impact of Covid-19 will be largely in the first half of FY 2020-21, with the hope that the pandemic will subside subsequently as the Government and various pharmaceutical companies are aggressively pursuing vaccines for the same.

The current order book for the Company is almost 2.5 times the total revenue of last year i.e. Rs 1508 Crores and in the current year we have received orders worth Rs 417 Crores as on date.

**Let me take you through the performance of the Company for the year ended March 31, 2020 :-**

1. For the year 2019-20, the total revenues for the Company stood at Rs 600 Crores and Rs 623 Crores on standalone and consolidated basis as compared to Rs 542 Crores and Rs 592 Crores respectively for the last year. This represented a growth of 11% and 5% respectively on standalone and consolidated basis.
2. EBITDA for the year ended March 31, 2020 was Rs 83.6 Crores and Rs 84 Crores on standalone and consolidated basis as against Rs 66.8 Crores and Rs 77.8 Crores for the previous year, representing a growth of 25% and 8% respectively.
3. Profit After Tax was Rs 17 Crores and Rs 12.8 Crores as compared to Rs 8.4 Crores and Rs 12.6 Crores on standalone and consolidated basis, registering a growth of 102% and 1.4% respectively, mostly on account of the decreased business in South African market as also the currency fluctuations.
4. During the year, the Infrastructure Segment contributed revenue of Rs 552.5 Crores compared to Rs 442 Crores last year thus registering a growth of 18.2%.
5. The Concrete Sleeper segment contributed revenue of Rs 95 Crores on a consolidated basis as compared to Rs 135 Crores last year, mainly on account of slowdown in operations in the South African business, due to the ensuing elections in the country and also due to the currency fluctuation of the South African Rand as a result of the downgrade of the sovereign rating of South African

government. However, currently the operations have picked up and we hope that this year the operations will restore back to profitable returns for the Company.

6. Net order book as on March 31, 2020 stands at Rs 1508 Crores
7. In line with the Dividend Policy of the Company, the Board has recommended to the Shareholders a final Dividend of Rs 1.50 per share i.e. 15% of the face value as the final dividend for the year 2019-20.

### **Looking Ahead**

There is significant uncertainty ahead regarding the impact of Covid-19 and we continue to monitor the situation on the ground closely. Our immediate priority is to protect the health and wellbeing of our people across locations. Our staff members have been covered under ESI / Group Health Insurance for quite some time now. Recently in April, we have undertaken a workmen health insurance policy for the workers who are working even through sub contractors on all our project locations. This gives them confidence that their treatment costs will be taken care of if they test positive for the virus despite maintaining all precautions. The Company has contributed to the PM CARES fund and also through various NGOs for the disaster relief activities in West Bengal to provide relief as a result of Cyclone Amphan.

To ensure the financial resilience, we are shoring up the liquidity position of the Company and we do not foresee any challenges in meeting our debt obligations or maintaining liquidity for the business.

As you are aware, like any other corporate, GPT also has to be mindful to conserve its resources in these unprecedented times. We also need to be mindful of the needs of our team members, vendors, clients and financial institutions who have helped us to grow the business.

The company has therefore adopted various cost saving measures by rationalizing operating costs, manpower and personnel costs, administrative and overhead costs. Most of the savings are strategic in nature and are expected to give long term benefits to the Company.

The macro landscape, is replete with opportunities for us and we are fundamentally well placed for the future. But success is never a given. We have to demonstrate continually that we have the capability and commercial acumen to translate these prospects into long term value for the stakeholders and the society at large. And I am confident that we have strength to deliver. I am confident that in order to give a boost

to the economy there is no other choice but to invest in large public infrastructure projects by the Central and State Governments and we at GPT given our past track record are well suited to deliver on the same. The Central Government has announced a National Infrastructure Pipeline of Rs 100 Lakh Crores, which will definitely boost the economy.

We would like to express our sincere appreciation for the assistance and cooperation received from the Financial Institutions, Banks, Government authorities, customers, vendors, business associates, workers and employees at all levels during the year under review.

The Directors regret the loss of life due to the Covid-19 pandemic and are deeply grateful and have immense respect for every person who has risked their safety and life to fight this pandemic - the true heroes of our society “The Covid Warriors”

I pray that you all stay safe and healthy.

Warm regards

**DP Tantia**

**Chairman**

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