

ITD Cementation India Limited

Transcript of 42nd Annual General Meeting held on Wednesday, 23rd September, 2020 through VC/OVAM

COMPANY SECRETARY (MR. RAHUL NEOGI):

Good afternoon dear Members.

I am Rahul Neogi, Company Secretary of ITD Cementation India Limited.

We have just been able to complete the requisite quorum at 3.10 p.m. (IST) and we are starting today's AGM. .

I welcome all of you to the 42nd Annual General Meeting of the Company being held through Video Conferencing and Other Audio- Visuals means as permitted by the Ministry of Corporate Affairs.

Before we commence, I would like to take you through certain key points for participation in today's AGM.

The shareholders have been provided the facility to join the meeting through Video-Conferencing / Other Audio-Visual Means on first-come-first-serve basis. All the members joining this meeting have been kept on mute mode by default to avoid any disturbance that could be caused by any background noise and to ensure smooth and seamless conduct of the meeting. Once the Question & Answer session begins, the Chairman will announce the names of the registered speaker shareholders one by one. The speaker shareholders will thereafter be unmuted and will be allowed to express their views and ask questions. Before speaking, the speaker shareholders are requested to click the audio and video button. While

speaking, if any shareholder is unable to join through video mode due to any reason, the shareholder is requested to switch off the camera, video and speak through audio mode. Speaker shareholders are requested to use earphones while speaking so that they are audible and any disturbance that could be caused by any background noise would also be minimized. Please also ensure that while you are speaking, your Wi-Fi is not connected to any other device and no other background applications are running in order to have good video and audio experience. In the event there is a connectivity problem at any speaker shareholder's end, he/she will be put on mute mode and we will request the next speaker to join the meeting. Once connectivity improves then the previous speaker shareholder shall be called back to speak after all other registered speaker shareholders complete their turn. We would request the registered speakers to kindly restrict their speech to not more than 3 minutes and also not repeat matters already covered by previous speakers. During the meeting, if the members face any technical issue, he or she may call help-line numbers of CDSL as mentioned in the notice of the AGM.

I would now request our Chairman to kindly take over and continue with the proceedings.

Thank You.

Over to the Chairman Sir now.

CHAIRMAN (MR. PIYACHAI KARNASUTA):

Thank you Mr. Neogi.

Good afternoon Ladies and Gentlemen. The required quorum being already present, the Meeting is called to order.

I, Piyachai Karnasuta, Non-Executive Chairman of the Company, attending the meeting from Bangkok, extend a warm welcome to all of you at this 42nd Annual General Meeting of the Company. For your kind information, the meeting is being live-streamed through web-cast. I thank you all for your participation in this meeting. The AGM of the Company is being conducted through virtual mode in compliance with the directives issued by the Ministry of Corporate Affairs on account of Corona Virus pandemic and the need to maintain social distancing.

I would now request all the Directors who are present in this meeting to kindly introduce themselves and confirm their participation in the meeting from their respective venues.

All the following Directors of the Company attended the AGM and introduced themselves:

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- Mr. D. P. Roy, Independent Director and Chairman of Stakeholders' Relationship Committee.
- Ms. Ramola Mahajani- Independent Director and Chairperson of the Nomination and Remuneration committee
- Mr. Sunil Shah Singh, Independent Director and Chairman of the Audit Committee.
- Mr. Pankaj I. C. Jain, Independent Director
- Mr. Santi Jongkongka, Executive Vice Chairman
- Mr. Jayanta Basu, Managing Director

, Representative of the statutory auditors, M/s Walker Chandiak & Co. LLP and Representative of the Secretarial Auditor, M/s Parikh and Associates and Cost Auditor Mr. Suresh Shenoy are also present at the meeting through Video Conferencing.

Thank you.



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I would now request Mr. Rahul Neogi, Company Secretary to take us through regulatory matters and other general instructions relating to voting process.

COMPANY SECRETARY (MR. RAHUL NEOGI):

Dear Members,

Since this AGM is being held electronically and physical attendance of the members has been dispensed with, the requirement of appointing proxy is not applicable.

The Company has received 1 (one) letter from corporate shareholder viz. Italian-Thai Development Public Company Limited, Bangkok, appointing Mr. Piyachai Karnasuta, Chairman of the Company as its authorized representative under section 113 of the companies act 2013 in respect of 80,113,180 shares.

The Register of Directors and Key Managerial Personnel and their shareholding and the Register of Contracts or Arrangements in which the Directors are interested are available electronically for inspection by the members during the AGM. Members seeking to inspect such documents can send an e-mail to investor.relations@itdcem.co.in which is also mentioned in the AGM Notice.

The notice of 42nd Annual General Meeting along with the Audited Standalone Financial Statements together with the Board Report and Auditors' Report thereon and Audited Consolidated Financial Statements alongwith Auditors' Report thereon for the year ended 31st March, 2020 had been emailed within the statutory period to all the shareholders whose email addresses were registered with their Depository Participants or with

the Company or KFin Technologies Private Limited, the Company's Registrar and Transfer Agents.

With your permission, I take the Notice of the meeting as read.

Since there is no qualification, reservation, adverse remark or disclaimer made either by the Statutory Auditors in the Auditors' Report on the financial statements of the Company or by the Secretarial Auditors in their Secretarial Audit Report relating to statutory compliances, for the year ended 31st March, 2020, they do not require to be read out at this meeting.

As required under the law, the Company had provided for remote e-voting facility to the Members to cast their votes electronically in respect of the business stated in the Notice dated 17th June, 2020. Members may kindly note that there are 4 (Four) Agenda Items for their approval.

3 (Three) items of Ordinary Business to be passed as **ORDINARY RESOLUTIONS** which are:

1. To receive, consider and adopt the Audited Standalone Financial Statements together with the Board Report and Auditors' Report thereon and Audited Consolidated Financial Statements alongwith Auditors' Report;
2. To declare a dividend of Re. 0.30 per equity share of Re 1/- each (30%) for the financial year ended 31st March, 2020;
3. To appoint a Director in place of Mr. Piyachai Karnasuta (DIN: 07247974), who retires by rotation and, being eligible, offers himself for re-appointment.



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1 (One) item of SPECIAL BUSINESS to be passed as ORDINARY RESOLUTION which is:

4. Confirmation, approval and ratification of payment of fees to the Cost Auditor for the year ended on 31st March 2021.

As per the timelines mentioned in the AGM Notice, remote e-voting facility was kept open from Sunday 20th September, 2020 (9.00 a.m. IST) up to Tuesday 22nd September, 2020 (5.00 p.m. IST).

Members who have already exercised remote e-voting facility prior to the AGM may attend the AGM through VC/OAVM but will not be able to cast their votes again on the resolutions. Members who have not cast their votes earlier through remote e-voting and are otherwise not barred from doing so, are eligible to vote through the e-voting system during the course of the meeting till upto 30 minutes from the time of conclusion of the AGM. Members may please note that there will be no voting by show of hands.

Mr. P.N. Parikh or failing him Mr. Mitesh Dhaliwala or failing him Ms. Sarvari Shah of Parikh & Associates, Practicing Company Secretaries has been appointed as the Scrutinizer for scrutinizing the e-voting process in a fair and transparent manner.

The Chairman has authorized Mr. Jayanta Basu, the Managing Director, and myself, Company Secretary, to declare the voting results severally and to do all acts / deeds as are necessary in this regard.

As required by law, the combined results of remote e-voting and e-voting during the AGM will be declared on or before 25th September, 2020 and the results will be placed on the website of the Company and on CDSL's

website. The results will also be notified to both BSE & NSE where the Company's shares are listed.

Thank You.

I will now request Chairman Sir to please take over.

CHAIRMAN (MR. PIYACHAI KARNASUTA):

Dear Members, with your kind permission, I will read out the Chairman's Statement.

GOOD AFTERNOON LADIES AND GENTLEMEN

On behalf of the Board of Directors and on my personal behalf, I welcome you all to this 42nd Annual General Meeting of your Company.

It is pleasure to connect with you all again. Although due to COVID-19 pandemic situation this time we are meeting through Video Conferencing to maintain social distance for the safety of all concerned. I thank all of you for joining us virtually at this AGM.

The Annual Report together with the Audited Financial Statements and the Board's Report for the financial year ended 31st March, 2020 have been with you for some time and I request your permission to take them as read.

Impact of COVID-19

The COVID-19 crisis has impacted business and lives of every Company and individual. The resultant economic crisis has impacted the entire globe with hardships and unprecedented situations. These are not easy times for



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any of us as we are dealing with several challenges arising from this situation.

Right from the start of the pandemic our Company has adopted stringent safety measures to ensure the safety and well-being of its people and stakeholders . While maintaining prescribed containment and several other protocols as directed by the Government and as per the internal SOP, we have also provided shelter, safe movements and medical assistance to our employees and work force.

The Lockdown was progressively lifted from mid-April 2020 and our Company partially resumed operations at the projects sites under the SOP Guidelines and in restricted manner by ensuring safety to all.

Our efforts and concern to work in a safe manner have been applauded by various Government authorities.

There are signs of things getting improved gradually and I wish and believe that things will get normalized in the coming days.

Economic scene in India

During these challenging times, our Honorable Prime Minister underlined a vision to make India a self-reliant nation amidst the COVID-19 Pandemic based on the foundation of five pillars comprising:

1. Economy – the government’s goal is to make India a USD 5 trillion economy by 2025,
2. Infrastructure – to achieve a target of USD 5 trillion economy, more than INR 100 lakh crore will be invested in infrastructure development in India over the next 5 years,
3. Systems – To be driven by 21st century technology excellence.
4. Vibrant demography – which will prove to be a competitive advantage for a self-reliant India

5. Demand - utilized to its full capacity

Under the aegis of Atma Nirbhar Bharat, Government of India has also announced host of bold reforms to attract investment to enhance the ease of doing business and strengthen the Make in India initiative.

These measures are likely to gain momentum and it will take some time to revive the economy fully.

National Infrastructure Pipeline

The Rs.111 lakh crore National Infrastructure Pipeline (NIP) built on Infrastructure Vision 2025 should provide a timely stimulus to the economy and boost to the infrastructure projects. Based on the NIP at this point prospects are seen in the areas of Maritime structures, Metro Railway Projects, Government Industrial Buildings, Airports, Water and Waste Water projects, Railway Connectivity in Himalayan Range, Roads and Smart City projects.

Before moving on to the agenda for today's meeting, I would like to share with you the highlights of the Company's performance and achievements during the last year.

Our Performance

Our Company delivered a healthy performance in FY 2019-20 at consolidated level with revenue from operations at Rs.2,861 Crores. Unexecuted order book stood at Rs.11,743 Crores, as on March 31, 2020, including our share in the joint venture projects recording an all-time high. Urban infra accounted for 35.4% of our order book, marine segment



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contributed 25.7%, hydro dams and tunneling accounted for 20.6%, followed by buildings at 8.5% and airports at 6.5%.

It is noteworthy to mention our Company secured over Rs.5,000 crores of work in this fiscal and we record our appreciation for these efforts.

Our Company continues to focus on Maritime structures, Airports, Urban Infrastructure / MRTS while having significant presence in Dams, Irrigation, Industrial Buildings, Railways, Water & Sewage treatment plants, Foundation and other specialist works.

At present, our Company is executing several major projects some of which are:

1. Marine infrastructure facilities for a Power Plant in Udangudi, Tamil Nadu,
2. Development of Refit Jetty and Allied Facilities at Port Blair, Andaman & Nicobar Islands,
3. Multi Modal Inland Water Transport Terminal at Haldia, West Bengal,
4. Modernisation of Pune and Trichy Airports,
5. Elevated Metro projects for Nagpur, Bangalore and Kolkata,
6. Underground Metro Tunneling and stations Works for Bangalore, Mumbai and Kolkata Metros,
7. Redevelopment of General Pool Residential Colony at Kasturba Nagar, New Delhi under the Government of India Programme.
8. Construction of Railway Tunnels between Sivok (West Bengal) and Rangpo (Sikkim) for North Eastern Railway development.

Our Company is executing its first major overseas marine project in Myanmar for Adani Yangon International Terminal Company Limited.

Your Directors have recommended a dividend @ Re. 0.30 (previous financial period @ Re 0.40) per equity share for the year ended 31st March,



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2020 on 171,787,584 equity shares of Re. 1/- each. This represents an outgo of approximately 11.94% of distributable profits.

Our Company has a strategically diversified business portfolio with strong order position and good execution strengths, which stood your Company in good stead.

AWARDS AND RECOGNITIONS

Our Company received many awards including certificates of appreciation in safety performance especially for efforts in containing COVID-19 pandemic. Some of them are:

1. International Safety Award from British Safety Council for our Marine Project at Udangudi, Tamil Nadu.
2. Urban Transport Infrastructure Magazine conferred Certificate of Appreciation for Urban Infra Solutions Provider of the year 2019.
3. Certificates of Appreciation from Bangalore Metro Rail Corporation Limited & Nagpur Metro Rail Project 2019, Mumbai Metro and many more for maintaining high safety standards.

ACKNOWLEDGEMENT

Before I end, I would like to express my sincere appreciation and special thanks to all employees of the Company for their support and contribution in these challenging times and to my colleagues on the Board for their contribution and counsel.

I also wish to thank all our customers, sub-contractors, vendors, bankers and our parent company, Italian-Thai Development Public Company Limited for

their guidance and support. Lastly, I wish to convey my deep appreciation to you, dear shareholders, for your continued support and understanding shown over the years. Thank you.

I now request Mr. Jayanta Basu, Managing Director, to share with you, the Company's performance related highlights and some other information of general interest.

MANAGING DIRECTOR (MR. JAYANTA BASU):

Thank you Mr. Chairman. Good afternoon to all. I thank all of you for joining us at this AGM. And it's my pleasure and privilege to be amongst all of you today. I would now like to highlight the key performance indicator for financial year ending March 2020, also like to brief you on the opportunities we have, and other information of general nature:

Financial Performances

Standalone performance

- Revenue from operations for the financial year ended 31st March 2020 is Rs 2,142 Crore.
- The Company made profit before financial costs, depreciation and exceptional item of Rs. 265 Crore, which is 12.37% of revenue from operation.
- The Company made a profit before tax of Rs. 53 Crore and profit after tax of Rs. 43 Crore for the financial year.

Consolidated performance

- Revenue from operations for the financial year ended 31st March 2020 is Rs. 2,861 Crore.
- The Company made profit before financial costs, depreciation and exceptional item of Rs. 300 Crore, which is 10.49% of revenue from operation.
- The Company made a profit before tax of Rs. 60 Crore and profit after tax of Rs. 44 Crore for the financial year.

Major Developments During the year

- Second consecutive year of securing orders in excess of Rs.5000 cr in our areas of experience and expertise such as Underground metro, marine and tunneling
- All time high order book of Rs12000 cr
- First Overseas Order in Myanmar worth USD 80 mn which around INR 568 CRS
- Could successfully manage the crisis at Kolkata Underground Metro
- Included some new sophisticated state of the art plant and machineries in our fleet, such as Automatic Boomer , Hydraulic hammers

Progress of some major projects

We are executing projects pan India and abroad. There are currently 53 projects of various sizes under execution. Some of the major contract currently we are executing such as

- Marine – Udangudi, Andaman, Vizag, Haldia , Krishnapatnam, Myanmar
- Underground Metro – Mumbai, Kolkata and Bangalore
- Elevated Metro – Mumbai, Nagpur and Bangalore
- Airports – Construction of Terminal Building at Trichy and Pune
- Buildings – Residential Complex in Delhi for CPWD
- Tunneling – For Indian Railways in North Bengal and Sikkim

Progress achieved in some of the major contracts:

- Udangudi – a very challenging Job , going well and so far progress archived is 40%
- Haldia is on verge of completion
- Andaman 40% completed
- Myanmar, the first overseas Job is progressing well and up to our satisfaction
- Mumbai Metro, around 60% work completed . Happy to inform that so far we have completed 10 km long Tunnel using Tunnel Boring Machine and the remaining small portion would be completed by end of 2020.

- Kolkata Metro , 75% work Completed and phase 1 Tunnel would be completed by Oct 2020 and remaining Tunnel by March 2021
- Bangalore Metro Underground – Initial stage and Work just commenced
- Bangalore Metro Elevated – 80%
- Nagpur Elevated - 90%

Opportunities and way forward

I am pleased to inform that your Company is now sitting on record work in hand of 11000 crs plus. Recently we have secured 1400 crs of Job and one of them is construction of Bridge over River Ganges at Allahabad.

Also glad to inform that we are the lowest bidder at Project Sea Bird Karwar, the value close to 1200 crs. We are also lowest bidder for another two Jobs in Building and Marine sector.

Presently the bids in hand will add upto 16000 crs.

Order Book position (WIH)

Rs. in crore

Segment	@ June 20	%
Urban infrastructure/MRTS/Airports	4,593	41%
Marine	2,914	26%
Industrial Structures & Buildings	1,001	9%
Foundation & Specialist Engineering	195	1%
Highway, Bridges & Flyovers	7	0%
Hydro/Dams/Tunnel/Irrigation	2,386	21%
Water & Waste Water	240	2%
Total	11,336	100%

COVID:



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Like all other industry, our industry and Company also effected due to COVID 19.

Due to the lockdown and restriction put in place by the Government on 23 March 2020, all the construction activities and operations were halted and there was complete stoppage of work till end April 2020.

There after work at project site work could resume slowly and in restricted manner.

Consequent to the lockdown, the biggest challenge Company has faced is - depleted work force due to reverse migration of workers. The number of worker came down as much as to 50% during the month of May, June, July this year. Since August the work force started to increase gradually and I am hopeful that by October substantial workers will be available to site.

As a result the performance of the company got effected till now but hope fully from third quarter or fourth quarter onwards it will be back to normalcy.

Conclusion

With a healthy order backlog, strong bid pipeline and government plans to boost the allocation to infrastructure spending, we are sure that our company will continue to improve its performance and scale new highs, once the COVID situation is behind us.

Thank You

CHAIRMAN (MR. PIYACHAI KARNASUTA):

I hope you would have obtained a good insight into the highlights of your Company's performance.



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I now invite questions / comments, if any, from the Members on any of the items of business stated in the Notice.

I will announce the names of the registered members one by one for their questions/ comments.

First Mr. Satish Shah, please.

(Host announced that Mr. Satish Shah had not joined as speaker)

Now Ms. Lekha Shah, please.

(Host announced that Ms. Lekha Shah had not joined as speaker)

I would like to thank you all the shareholders and members who are attending this meeting through video conferencing. The e-voting process will continue for the next 30 minutes and will be disabled thereafter.

With your kind consent and all other Board Members, I now declare the meeting closed and wish all the shareholders and their families a very healthy and safe future.

Thank you Ladies and Gentlemen once again for being with us this afternoon through video Conferencing.

The AGM concluded at 3.42 p.m. (IST)
