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# ITD Cementation India Limited

Commitment, Reliability & Quality

## **44<sup>th</sup> Annual General Meeting of ITD Cementation India Limited**

**22<sup>nd</sup> September 2022**

- **Mr. Rahul Neogi – Company Secretary, ITD Cementation India Limited:**
- Good afternoon dear shareholders. I am Rahul Neogi, Company Secretary of ITD Cementation India Limited. I believe all of you are safe, secure and keeping in fine health. I welcome all of you to the 44<sup>th</sup> Annual General Meeting of the Company being held today, that is 22<sup>nd</sup> September 2022 at 04:00 PM Indian Standard Time through video conferencing and other audio visual means as permitted by the Ministry of Corporate Affairs and Securities and Exchange Board of India. The broadcast of this meeting is being provided by National securities Depository Limited.
- 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 and audio-visual means on first come first serve basis. All the shareholders joining this meeting have been kept on mute mode by NSDL 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 and answer session begins, we will announce the names of the registered speaker shareholders one by one. The speaker shareholder will thereafter be unmuted by NSDL 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 appearing on the screen to switch them on. 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 - the 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 could also be minimized. Please also ensure that while you are speaking there is proper lighting, the background sound is minimized and your Wi-Fi is not connected to any other device, no other background applications are running in order to have good video and audio experience. In case there is a connectivity problem at any speaker shareholder's end, he or she will be put on mute mode and we will request the next speaker to join the meeting. Once the connectivity improves, then the previous speaker shareholder shall be called back to speak after all the other registered shareholders complete their turn. Speaker shareholders may please announce their names and the place from where they are attending the AGM before speaking. We request the registered speakers to kindly restrict their speech to not more than three minutes and also not to present matters already covered by previous speakers.





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During the meeting if a shareholder faces any technical issue, he or she may call helpline numbers of NSDL as mentioned in notice of the AGM.

- I would now request Chairman to kindly take over and continue with the proceedings. Thank you. Over to the Chairman Sir now.
- **Mr. Piyachai Karnasuta – Chairman, ITD Cementation India Limited:**
- 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 44<sup>th</sup> Annual General Meeting of the Company. For your kind information, the meeting is being live streamed through webcast. 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 issue by the Ministry of Corporate Affairs and Securities and Exchange Board of India.
- I would now request all the directors who are present in this meeting to kindly introduce themselves and confirm their participation in this meeting from their respective venues. Ms. Ramola Mahajani, please.
- **Ms. Ramola Mahajani – Independent Director, ITD Cementation India Limited:**
- Good afternoon to everyone. I am Ramola Mahajani, Independent Director on the Board of the Company and Chairperson of the Nomination and Remuneration Committee. I am attending this AGM from Mumbai. Thank you.
- **Mr. Piyachai Karnasuta – Chairman, ITD Cementation India Limited:**
- Mr. Sunil Shah Singh, please.
- **Mr. Sunil Shah Singh – Independent Director, ITD Cementation India Limited:**
- Good afternoon to you all. My name is Sunil Shah Singh, I am an Independent Director on your Company, ITD Cementation India Limited, and I am also Chairman of the Audit Committee of the Company. I am attending this AGM from my residence in Pune. Thank you.
- **Mr. Piyachai Karnasuta – Chairman, ITD Cementation India Limited:**
- Mr. Pankaj Jain, please.
- **Mr. Pankaj Jain – Independent Director, ITD Cementation India Limited:**
- Yes, Good afternoon to all of you. I am Pankaj I C Jain, I am an Independent Director on the board of ITD Cementation India Limited. I am also the Chairperson of the Stakeholders Relationship Committee, and I am attending this 44<sup>th</sup> AGM of the Company from my office in Mumbai. Thank you.







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- **Mr. Piyachai Karnasuta – Chairman, ITD Cementation India Limited:**
- Mr. Santi Jonkgongka, please.
- **Mr. Santi Jonkgongka – Whole-time Director & Executive Vice Chairman, ITD Cementation India Limited:**
- Good afternoon to all. I am Santi Jonkgongka, Executive Vice Chairman of your Company. I am attending this AGM from the registered office of the Company in Mumbai. Thank you.
- **Mr. Piyachai Karnasuta – Chairman, ITD Cementation India Limited:**
- Mr. Jayanta Basu, please.
- **Mr. Jayanta Basu – Managing Director, ITD Cementation India Limited:**
- Good afternoon to all. I am Jayanta Basu, Managing Director of your Company. I am attending the AGM from the registered of the Company in Mumbai. Thank you.
- **Mr. Piyachai Karnasuta – Chairman, ITD Cementation India Limited:**
- Representative of statutory auditor M/s Walker Chandiok & Co. LLP, representative of Secretarial Auditor M/s Parikh & Associates and Cost Auditor Mr. Suresh Shenoy are also present at the meeting through video conferencing. I would now request Mr. Rahul Neogi, Company Secretary, to take us through regulatory matters and other general instructions relating to voting process. Thank you.
- **Mr. Rahul Neogi – Company Secretary, ITD Cementation India Limited:**
- Thank you Chairman Sir. Dear shareholders, before I take you through the voting process and other matters, let me also introduce you to our CFO Mr. Prasad Patwardhan who is sitting to my extreme left. I will come to voting process and other matters.
- Since this AGM is being held electronically, physical attendance of the shareholders have been dispensed with the requirement of appointing proxy is not applicable. The Company has received authorization from two shareholders appointing them as representatives under section 113 of the Companies Act, 2013 in respect of 8,10,44,787 equity shares in aggregate, representing 47.18% of the paid up equity share capital of the company. The Register of Directors and Key Managerial Personnel and their shareholding, the Register of Contracts or Arrangements in which directors are interested are available electronically for the inspection by the shareholders during the AGM. Shareholders seeking to inspect such documents can send an email to [investor.relations@itdcem.co.in](mailto:investor.relations@itdcem.co.in) which is also mentioned in the AGM notice.



- The notice of 44<sup>th</sup> Annual General Meeting along with the audited standalone financial statements together with the Board's report and auditor's report thereon and audited consolidated financial statements along with auditor's report thereon for the year ended 31<sup>st</sup> March 2022 has been emailed within the statutory period to all the shareholders whose e-mail addresses are registered with their depository participants or with the company or KFin Technologies Limited, the Company's registrar and transfer agents. Hard copies were dispatched to those shareholders who requested for the same.
- With your kind permission. I take the notice of the meeting as read.
- Since there is no qualification, reservation or adverse remark or disclaimer made either by the statutory auditors in the auditor's report or the financial statements of the Company or by the secretarial auditors in their secretarial audit report relating to the statutory compliances for the year in the 31<sup>st</sup> March 2022, they do not require to be read at this meeting.
- As required under the law, the Company had provided for remote e-voting facility to the shareholders to cast their votes electronically in respect of the business stated in their notice dated 12<sup>th</sup> August 2022. Shareholders may kindly note that there are six agenda items at this AGM for their approval. Four items of ordinary business which are proposed to be passed as ordinary resolutions which are as follows:-
  - No. 1. To receive, consider and adopt the audited standalone financial statements together with the Board Report, Auditor's Report thereon and audited consolidated financial statements along with the Auditor's report for the financial year ended 31<sup>st</sup> March 2022.
  - 2. To declare a dividend of Rs. 0.45 on equity share of Re. 1 each which is equivalent to 45% for the financial year ended 31<sup>st</sup> March 2022.
  - 3. To appoint a Director in place of Mr. Piyachi Karnasuta, DIN number being 07247974, who retires by rotation and being eligible offers himself for reappointment.
  - No. 4. To appoint M/s T R Chadha & Co. LLP, Chartered Accountants as Statutory Auditors of the Company in place of retiring auditors M/s Walker Chandiook & Co. LLP, Chartered Accountants to hold office for a term of 5 consecutive years from the conclusion of this 44<sup>th</sup> AGM of the Company until the conclusion of the 49<sup>th</sup> AGM of the Company to be held in the year 2027.
- There are two items of special business which are proposed to be passed as ordinary resolutions, which are as follows:-
  - No.1. Confirmation, approval and ratification of payment of fees of the Cost Auditor for the year ended 31<sup>st</sup> March 2023.



- No.2. Payment of commission as may be determined by the Board of the Directors but not exceeding in the aggregate 1% of the net profits of the Company, subject to maximum of Rs. 7,00,000 per annum to each Director for each financial year of the Company commencing on and from 01<sup>st</sup> April, 2021, that includes Alternate Directors but excluding Whole-time Directors and/or Managing Director.
- As per the timelines mentioned in the AGM notice, the remote e-voting facility was kept open from Monday, 19<sup>th</sup> September 2022 9:00 AM Indian Standard Time till Wednesday 21<sup>st</sup> September 2022 5:00 PM Indian Standard Time. The e-voting at the AGM will be conducted by the same e-voting system of NSDL which was used during the remote e-voting mentioned above.
- Shareholders who have already exercised remote e-voting facility prior to the AGM, may attend the AGM through VC or OAVM but will not be able to cast their votes again on the resolutions. Shareholders who have not cast their votes earlier through remote e-voting or otherwise not barred from doing so, are eligible to vote through the e-voting system during the course of meeting till up to 15 minutes from the time of the conclusion of this AGM. Shareholders may please note that there will be no voting by show of hands.
- Mr. P N Parikh or failing him Mr. Mitesh Dhabliwala or failing him Ms. Sarvari Shah of M/s Parikh and 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 that are necessary in this regard. As required by law, the combined results of the remote e-voting and e-voting during this AGM along with the scrutinizer's report will be declared on or before 24<sup>th</sup> September 2022 and the results will be placed on the websites of the company and NSDL. The results will also be notified to both BSE Limited and National Stock Exchange of India Limited where the company shares are listed. Thank you.
- I will now request once again our Chairman Sir to please take over for reading out Chairman's statement. Thank you.
- **Mr. Piyachai Karnasuta – Chairman, ITD Cementation India Limited:**
- Dear shareholders, with your kind permission I will read out the Chairman statement.
- Good evening ladies and gentlemen. It gives me a great pleasure to welcome you all to this 44<sup>th</sup> Annual General Meeting of your company. The annual report together with audited financial statements and the Director report for the year ended 31<sup>st</sup> March 2022 are already with you, and with your consent I take them as read. Before





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I start the Company performance for the year 2021 to 2022, I would like to talk about the outlook of the construction sector. In the face of global economic volatility and risk driven by socio political factors, India macro fundamental have been robust. The infrastructure sector have been the government's biggest focus area for several years now, and the increased impetus for accelerating infrastructure development will open up vast opportunities for construction players. Just one month back we celebrated Azadi ka Amrit Mahotsav 75<sup>th</sup> Anniversary of India independence wherein the Prime Minister unveiled clear roadmap for transforming India over the next 25 years into a developed and self-reliance country.

- The government have given a massive push to the infrastructure sector by increasing the capital expenditure by 25% year-over-year to Rs. 7.5 lakh crores. Several government initiatives like national infrastructure pipeline, national monetization pipeline, Gati Shakti Master plan for multi modal connectivity, Bharatmala, Sagarmala, UDAN Project etc. are aimed at boosting infrastructure development that will further propel economic development in the country. Also ease of doing business and simpler administration procedure will lead to fast tracking investment allocation and execution for the infrastructure projects. Your company is well positioned to take advantage of rapid infrastructure development and contribute to the India infrastructure growth trajectory.
- **COMPANY PERFORMANCE**
- It gives me immense pressure to share with you that despite the challenging macro environment, your company has shown resilient performance and has continued to grow with its strong execution capabilities and prudent working capital management. Your company reported highest ever revenue of Rs. 3,809 crores which is healthy growth of 40% year-over-year. Our consolidated EBITDA stood at Rs. 338 crores. Our net profit for the year was Rs. 69 crores, which represent growth of 330% year-over-year. Over the year, we have been diligently strengthening our balance sheet with continued focus on improving working capital management and have maintained a de-leveraged balance sheet with net debt of 0.11X. I am pleased to share that during financial year 2021 to 2022, your Company has secured highest ever order inflow of Rs. 7, 770 crores in a single financial year. This has resulted in the company achieving all time high order book of Rs. 15,550 crores as on 31<sup>st</sup> March 2022. That provides multiyear revenue visibility to all our stakeholders. The diversified order book complies mainly of urban infrastructure, MRTS and airport 46.5%, maritime structure 21.9%, industrial structure and building 11.5%, Hydro dams, tunnel, irrigation 10.8%, water and wastewater 5.5%, foundation and specialist engineering 2.9%, and highway and bridges and flyover 0.9%.
- This year the Board has recommended a dividend of 0.45 per equity share.
- Your company has an excellent track record of nine decades in EPC and heavy civil engineering construction business, extensive promoters experience, strong project



execution capabilities, healthy and diversified order book position, comfortable debt coverage metrics, robust long-term relationship with the suppliers and strong brand recall among clients that has enabled us to be a company of choice and capitalize on the ever changing opportunities in the sector.

– **AWARDS AND RECOGNITION:**

The untiring efforts of my colleagues and the best work practice followed by your company has been recognised by prestigious and premium national bodies through numerous accolades and awards won by the company, are as follows:

- Fastest Growing Indian Company Excellence Award for outstanding contribution to national development by India Economic Development and Research Association.
- International Safety Award to Myanmar and Bangalore for the underground metro project by British Safety Council.
- Shreshtha Suraksha Puraskar (Silver Trophy) for Kolkata underground metro and Mumbai underground metro by National Safety Council of India.
- Safe Civil Contractor Award for Nagpur elevated metro by Nagpur Metro Rail Corporation Ltd.
- As always, I take this opportunity to thank Italian-Thai Development Public Company Ltd, our parent company, for their valuable guidance, and also to the board members for providing their leadership and direction to the company. I would like to thank our business partners, the government and regulatory authorities, customers, vendors, bankers, and all the other shareholders for their effort and contribution to the growth of the company. I would also like to express my gratitude to all our stakeholders who have reposed faith in our company and I look forward to your continuous support in the year ahead. I would like to thank my employees whose commitment, determination and grit during this testing time, have been exemplary and are focused in achieving the company's vision and mission. We are optimistic on the outlook of your company's future performance, and will continue to focus sustaining profitable growth and remain committed in delivering growth with excellence for our esteemed stakeholders.
- I now request Mr. Jayanta Basu – Managing Director, to share with you the Company's performance, related highlights and some of the information of general interest.
- **Mr. Jayanta Basu - Managing Director, ITD Cementation India Ltd:**
- Good evening Mr. Chairman, good evening to all the Board members, and good evening to all the distinguished stakeholders of this Company, and those who are attending this AGM today. At the outset, my heartiest thanks to Mr. Chairman for his



inspirational speech. As highlighted by Mr. Chairman, I'm also pleased to inform again, that your Company's revenue has grown by 40% from 2021 to 2022. This is quite a substantial growth by any prevailing standards. Last year i.e. 2020-21 was affected by COVID and our margin was less, but I think this year we have done around 69 crores, which is 330% more than last year's margin.

- Mr. Chairman has mentioned, last year we had secured around INR 7,000 crores of jobs. And we didn't stop there. Within this year, from April to June, we have secured another INR 6,000 plus crores of jobs. So, with all this, today we are sitting on around INR 20,000 crores of work in hand, and that gives us multiyear revenue visibility. With growth in revenue, growth in profitability and with all-time high work in hand of INR 20,000 crores, your Company has made substantial progress and passing through a very exciting time to embrace the future of greater heights and healthy returns to all the stakeholders.
- Your Company has now expanded its presence over diversified areas, which helps to mitigate the risk in execution largely. We're in urban infra, we're in building maritime structures such as jetties, wharfs, breakwater, slipways, dry dock, wet basin. We're in roads & bridges, industrial structures, airport terminal. We're also in material handling system, water and waste management, irrigation projects and so on and so forth. We have, in the recent past, secured and executed some of the most challenging projects of engineering marvel by any standard of civil engineering. We're building the longest approach bridge of 8 kms in length in open sea conditions. We're constructing island breakwater at deep water inside the open sea. We're also building national university at remote places like Sikkim. We're building iconic structures like aerospace museum at Palam in New Delhi. We are one of the only few companies in India who has presence in so many diversified fields.
- I would like to highlight some of the important projects on the execution by your Company.
- Like Kolkata Metro Underground – We have successfully handed over part of underground metro rail project at Sealdah station in West Bengal. Within a short span of few months, the passenger traffic has grown from 2,000 to 40,000 per day in Sealdah station.
- Mumbai Metro Underground – We have successfully completed the entire 12 km tunnelling which is starting from Dadar to Sitladevi to Siddhi Vinayak station.
- Bangalore Metro Underground – Work is in progress as per schedule. We have completed around 34% of the job.
- Recently, we have secured 2 major contracts from Chennai Metro. Work has already commenced as per original target.





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- We're also constructing a long tunnel of around 15 km length at Sikkim for the connectivity to the North-East of India by railway. It's a very challenging job and very difficult work to be executed.
- Your company is also executing a very large irrigation tunnel in the state of Telangana.
- Recently we have secured a big job at UP Ganga Expressway for 15 kms long. The mobilisation work is under progress.
- We have successfully almost completed a bridgework in Allahabad over the River Ganges.
- As I have just mentioned, as many of you may be aware, one of the strong areas of our Company is marine construction. One of our prestigious marine project is under execution in southern Tamil Nadu i.e. Udangudi. We have made substantial progress in this project already with challenges of constructing breakwater at very deep sea which is around 18 mt. from the water level, located 8 kms inside the sea.
- First marine job overseas we have completed in Myanmar.
- We're also working in Indian Navy's project at Karwar, building jetty for IOCL in Ennore, Andaman.
- As you must be knowing, we're doing airport construction in Trichy, Pune and Ahmedabad.
- We are having riverside development work in Guwahati and Ahmedabad Sabarmati side.
- So, there are many such projects under execution, and with increasing job in hand, we'll be doing much more in future.
- We have seen rapid development, advancement in construction technology very recently. The construction technology is an integral part of our progress, performance and pricing of the projects, and I can assure that your company is very much aware about all such changes and always remains ahead of time to adopt best practices, innovative methods by enhancing human skill, new and advanced construction equipment, adopting them. We have a dedicated technical service department with highly qualified and experienced engineers continuously engaged to enhance the construction techniques and methods of work. The same team has capability to undertake and design permanent work as well.
- Safety is very important, and we believe in zero tolerance when it comes to safety. The entire ITD Cem team tries to improve the safety standards on a continual basis. We're also very much aware about the environment and our continuous



endeavour is there to minimise emission of carbon dioxide, minimise noise pollution, minimise oil spillage, minimise deforestation and maintain a sustainable eco-friendly environment. The quality of product matters, and we are one of the best in this business when it comes to delivering quality product. We have a dedicated team to look after all such issues such as engineering, health and safety and quality control.

- This year, in 2023 budget, the Indian Government is aimed at strengthening the infrastructure with focus on PM Gati Shakti, inclusive development productivity and enhancement of investment, energy transition and climate action. As far as infrastructure spending is concerned, the Indian Government has envisaged an investment worth Rs. 7.5 lakh crores for this sector, which is 25% higher than preceding year, and will translate into sizeable growth opportunities for construction companies in India. In addition, recently, the government has approved projects worth Rs 75,000 crores in Great Nicobar Island, which includes construction of international container terminal, greenfield international airport, township and a power plant. Also, there are plans by the government to augment river-line transport between India and Bangladesh, which will provide further opportunities in the maritime sector.
- As I have briefly shared with you above scenario with the risk analysed strategic business plan and vision of the big picture, your Company's considerable presence in India will continue to grow from strength to strength. With our ongoing efforts of successfully executing an international project in Myanmar, we're also exploring opportunities in selective overseas neighbouring countries.
- I'll conclude by expressing my sincere gratitude to each one of you, and look forward to a better future. I convey my best wishes to all the stakeholders with a firm conviction of scaling newer heights. Thank you.
- **Mr. Piyachai Karnasuta - Chairman, ITD Cementation India Ltd:**
- I hope you would have obtained a good insight into the highlights of your company's performance. I now invite questions, comments, if any, from the shareholders, on any of the items of business stated in the notice. I would request Mr. Rahul Neogi – Company Secretary to announce the name of the registered speakers one by one, for their questions and comments.
- **Mr. Rahul Neogi - Company Secretary, ITD Cementation India Ltd:**
- Before we open the floor for questions by shareholders, on behalf of Chairman, I would like to announce the commencement of e-voting at the AGM on all the agenda items by all those shareholders who have not cast their votes through remote e-voting facility that was made available from 19<sup>th</sup> September 2022 to 21<sup>st</sup> September 2022. Please note that votes once cast, cannot be changed subsequently. I would now request all speaker shareholders who have registered their names, once



again, to please limit their queries to not more than 3 minutes each, giving out their names and place from where they're attending the AGM, before speaking.

- Our first speaker today is Mr. Rajendra Seth. You may kindly speak now.
- **Moderator:**
- Mr. Shah is not with us. So, I would invite our next speaker Mr. B. Vijaykumar.
- **Mr. Rahul Neogi - Company Secretary, ITD Cementation India Ltd:**
- Okay. Our next speaker is Mr. B. Vijaykumar. Mr. Vijaykumar, you may please speak now.
- **Mr. B. Vijaykumar – Shareholder:**
- Can you hear me?
- **Mr. Rahul Neogi - Company Secretary, ITD Cementation India Ltd:**
- Yes.
- **Mr. B. Vijaykumar – Shareholder:**
- Distinguished Chairman, Executive Vice Chairman and distinguished board of directors, Managing Director and senior management. At the outset, my heartiest congratulations for the wonderful performance of the last fiscal, and thank you for providing us 360° view of the performance through the Chairman and the Managing Director. Sir, I have few points and I have gone through the Annual Report which has come out very well, delivering growth with excellence. I agree that we have deep insights with the Company, and there is excellent comprehensive coverage in our Annual Report, both in the Management Report, Q&A, MD & Chairman's message. This company has been traditionally a Company with a high reputation, with MNC lineage. Now we are heading into almost a 100 year old company. So, I have very specific 3-4 questions. Sir, in the last quarter Q4, we crossed a very important milestone of almost achieving 4,000 crores, about 1,200 crores, 1,100 crores, and followed it up with recent another 1,200 crores. That's a very significant in terms of the operational efficiency and performance backed by excellent marketing which is close to 20,000 crores. It gives us the kind of comfort that the Company is in the right direction under this leadership, and a great support from ITD. Sir, we would like to see this Company to be among the top 1 or 2 EPC companies in the country, which we are. But, we must strive for this kind of growth momentum, and in this decade, 100 year old decade which I call it, we would like to see our Company should be virtually debt free. Now debt is almost at a very manageable level and we would like to see our Company become a debt-free company with the kind of young management we have. On top of that, in the report I've gone through, our Company

is very caring for CSR, in terms of the COVID we handled so beautifully for 2 years. With such a large manpower, our company was able to handle it with minimal problems. My congratulations to the entire management team. The kind of coverage and the reporting, the investors, and the kind of movement happening in our performance is very laudable. Once again, I would like to end by saying that, there is a phrase – Tough times never lasts, tough companies do. And, my best wishes to reach next level of growth and momentum and benefit the shareholders, and we become one of the top companies with support from ITD Bangkok. Thank you very much Sir.

- **Mr. Rahul Neogi - Company Secretary, ITD Cementation India Ltd:**
- Thank you Mr. Vijaykumar. The next speaker is Mr. R. Tulsian. Mr. Tulsian, You may please speak now.
- **Mr. R. Tulsian – Shareholder:**
- Mr. Rahul, can you listen?
- **Mr. Rahul Neogi - Company Secretary, ITD Cementation India Ltd:**
- Yes. Please be closer to the audio unit. It's not very clear, but yes, we can hear you. Please come closer to the mic.
- **Mr. R. Tulsian – Shareholder:**
- How about now?
- **Mr. Rahul Neogi - Company Secretary, ITD Cementation India Ltd:**
- Now it's fine.
- **Mr. R. Tulsian – Shareholder:**
- Thank you Chairman. It was a very laudable speech. A young Chairman for a company which is above 90 years old! Your performance was very good. I like this performance. But, I don't know how you manage this, the oldest company with the youngest Chairman! Excellent! The next point, I noted that this year you completed 40% extra execution Your execution is very good. If you compare it to the Q1 FY21-22, that too is very good. You'll are present in 17 states by God!, right from Sikkim to Chennai, Allahabad to Delhi; everywhere our Company is present. No matter where you go, you'll find this Company present there. I really like this. You've shown a growth of 3,809 crores, 40% growth in a single year with an EBITDA of 8.9%, 338 crores EBITDA... excellent performance! But sir beware, shareholders are stingy in their compliments and look for reasons to criticise. Now we want more! We want to know what is your vision, what is your next step? I'm not talking about 2022-23, I'm leaving that to you. Tell me, what performance and turnover do you target for 2023-



24? Can we fast track any executions? That's because, growth with excellence is necessary. Zero tolerance is necessary for safety. But be beware, there is nothing without growth. We shareholders are in a hurry. If we have an order book of 15,000 crores, how much of that execution can be fast tracked, that is most important for us. First and foremost, I thank you for whatever dividend you have given. Frankly speaking, as a shareholder, I'm okay even if you don't give us any dividend. If you maintain the same growth trajectory, as a shareholder, I wouldn't be interested in dividend or bonus. I have only one motto and ITD too should have a single motto – Fast execution, fast growth. In your speech you mentioned that you've done development work in the marine, underground metro, airport business, highway, etc, in every line, and you've crossed India and also reached Myanmar. That how in the marine, underground Metro, airport business and in every line, you have done development, even in highway. You have crossed India and reached Myanmar. This is an excellent recognition for us. You have won many awards. I will only mention one award that is the fastest growing Company of the year. My congratulations to all of your employees, Board of Directors. And sir I will tell you something good, sir your Annual Report is excellent. I enjoy seeing it, when I see it, the figures speak for themselves. I don't have to wear specs and see; I might need it while I speak but when I see your Annual Report then it really looks so beautiful and I feel like I should keep reading and not stop. I would like to congratulate the secretariate team. It is an excellent reporting, including the speech from Chairman or our secretarial. The order book issued and work in hand excellent reporting I tell you. Chairman sir, the presentation given by your MD was full of facts and figures only. It was a very good speech.

- **Moderator:**

- Rajendra sir, we have time limit so please.

- **Mr. R. Tulsian- Shareholder:**

- Okay I will summarize in a minute if you will give me permission.

- **Moderator:**

- Yes.

- **Mr. R. Tulsian- Shareholder:**

- I will take a minute more with your permission.

- **Moderator:**



- Yes.
- **Mr. R. Tulsian- Shareholder:**
- Sir, I have a suggestion is to reduce our tax payment. I'm not against anything illegal but government of India gives permission. If you invest in R&D, research development and in fitness then you can reduce tax to the maximum extent. This is my suggestion to the Board. The Board can think about. They don't have to give me an answer in the AGM that how can they reduce the tax payment and may I expect that current year closing you can do by more than 5000 crore and if the Chairman sir can tell us what is his vision for year 2023-2024. With these words, I would like to congratulate the secretariate team, Rahul and company that they have supported us and I could talk to you. Thank you very much again.
- **Mr. Rahul Neogi - Company Secretary, ITD Cementation India Ltd:**
- Thank you, Mr. Tulsian, Thank you. Our next speaker is Ms. Lekha Shah. Ms. Shah you may speak now.
- **Moderator:**
- Sir, Ms. Lekha Shah is not with us.
- **Mr. Rahul Neogi - Company Secretary, ITD Cementation India Ltd:**
- Okay, we move on to our next speaker. Our next speaker is Mr. Hitesh Doshi who will speak in his personal capacity, as well as on behalf of Nirzar Securities LLP. Mr. Doshi you may kindly speak now.
- Hello, hello.
- **Moderator:**
- Yes, sir. You're audible.
- Actually, I'm from Nirzar securities, hello.
- **Mr. Rahul Neogi - Company Secretary, ITD Cementation India Ltd:**





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- Yeah, we can hear you but if you please keep you video on also so that, if possible, we can see you also.
- Yeah, I'm Ajit Darda from Nirzar Securities. The moderator has unmuted me, I'll just start the video, okay. Firstly, good evening to all of you and I'm Ajit Darda from Nirzar Security joining from Mumbai. Sir first of all, thank you for giving me the opportunity and many congratulations to all of you for great numbers in the last financial year. Like all time high revenue, all time high order book and order inflow also. Sir, I have got the Annual Report very much on time. Thank you for that and it was truly, very much insightful and comprehensive in all terms of information that is required to us. So, sir I just have a few questions, I'll just read those out, you please help me out with those. So, the first one is could you please quantify the claims we have made against the Delhi and Bangalore Metro projects and also what is the current status of these claims? When will these be settled and how much revenue is still pending to be recognized for both these projects?
- So, the second question is Sir, we had guidance of, as per my best knowledge, we had guidance of double-digit margins for financial year '24. So, as the inflation pressure is easing out Sir, how feasible is it to achieve the target and what are the majors our company is taking to achieve these in terms of cost control or bidding for high margin projects and also if you can guide us on FY 23 margins?
- So, the next question is Sir, our order book. So MRTS and airport order book as on 31st March 22 comprises of 46% of our total order book as compared to 33% as on 31st March 21 and marine projects is 21% as on '22 versus 33% as on 31st, March 2021 Sir. So, just my question is Sir, is there any structural changes as to which projects we are bidding for, so you please clarify on this. If you could provide us the margin profile and execution profile of all our business verticals namely MRTS, marine, airports, industrial structure and building hydro dams, tunnels, irrigation, Water Foundation, etc., if can provide us with the margin profile and execution profile along with execution cycle, average execution cycle Sir. Sir, we have kept our borrowings very low Sir, that is to truly fantastic although we are performing in an industry wherein it requires huge capital Sir, that is commendable. But the interest costs charged to P&L seems very high Sir to rupees 140 crores for financial year 22. Out of which Sir 70 Crore pertain to interest on advances from contractees and guarantee commission Sir. If could you please explain on these two factors Sir because bank and corporate guarantees together are 297 crore in consolidated books and bank guarantee charges are Rs. 44 crore, which is close to 15% of guarantees given. So, could you please just elaborate on these things, what exactly these are and thank you so much Sir and all the very best.



- **Mr. Rahul Neogi - Company Secretary, ITD Cementation India Ltd:**
- Thank you, Sir. We have any other speaker?
- **Moderator:**
- Yes, we have sir with us Mr. Rajendra Seth, can I allow him to speak Sir.
- **Mr. Rahul Neogi - Company Secretary, ITD Cementation India Ltd:**
- Yeah, yeah.
- **Moderator:**
- Okay sir.
- **Mr. Rajendra Seth – Shareholder:**
- Hello? Hello?
- **Mr. Rahul Neogi - Company Secretary, ITD Cementation India Ltd:**
- Yes Mr. Rajendra Seth.
- **Mr. Rajendra Seth – Shareholder:**
- Yes, I'm Rajendra Seth from Thane, Mumbai. Couple of days back, there was a beautiful article of our company in Gujarati newsfeed and it came in the best buy. It was really nice to know about the company's future and order which you just explained. I have full trust on the management. Regarding dividend, we need some dividend because the investors there are few senior citizen, so it will be good for them according to me. Rest I have full confidence in management and under this management our Company will surely prosper. I support all the resolution and I congratulate. I will only recite one sentence of a shloka and end my speech. Thank you for giving me the opportunity to speak.
- **Mr. Rahul Neogi - Company Secretary, ITD Cementation India Ltd:**
- Thank you, Mr. Seth. Any other speaker, or shall we proceed? We have received one query of Mr. Dhruv Galada. I'll just read out the queries. Many steel companies like



Tata Steel, talking about this being the bottom in terms of steel prices and likely to move higher from here. This is what you're seeing as well and has this been factored in your margin guiders? That's number one question. Number Second question is giving that you have long term contracts, the effect of change in steel prices must be reflected as a lag, how much is this lag? This query will be responded to suitably along with the queries of other shareholders. Thank you.

- I would now request our MD and our CFO to kindly respond to the queries of the shareholders.
- **Mr. Jayanta Basu – Managing director, ITD Cementation India Ltd:**
- Okay, thank you for your questions. We'll start with Mr. Vijaykumar, who has the first question here. Mr. Vijaykumar thank you for the good words on our Company, and the performance, you have applauded Q4 and Q1 results this year. Your specific question was whether our Company can be debt free, at some point of time. Yeah, that is a dream but it's not very difficult, not very easy dream. Because to make a company debt free and grow is not same. When you grow, you have to have capital and so though it is our dream, but I don't know when it will happen. But definitely growth will happen and we'll try to minimize our debt as much as possible.
- Then I move to the second, Mr. Tulsian, is it? Mr. Tulsian.. You have applauded our growth of 40%. Thank you very much for that. But your specific question was going forward how it will look in 23-24. The work in hand, what we have now, which is around 20,000 crore and if you see the time cycle of execution, normally we do around in three years, three and a half years' time. So, if you put in calculation normally growth should go at the rate of 20 to 25% and we should be able to maintain this run rate for another two to three years' time. So that gives you indirect answer, what will be our revenue in the year 23-24. And you have emphasised on the growth, yes, I also believe that growth in the top line, the single most metric to grow profitability. And we'll maintain that, but not at the cost of bottom line, will have risk mitigated growth that I can promise you. And you have mentioned something to save tax through R&D process, we have taken your suggestions, we'll work on that. And yes, we are working all over India, not only in India, we are working elsewhere also, we have gone to Myanmar. And our focus is to grow in the neighbouring countries as well. I think that answers most of the questions by Mr. Tulsian.
- The next question here was from Nirzar Securities. Thank you from Nirzar Securities, your questions are quite relevant. And if I go one by one, maybe it is not in seriatim. But one of your question of our job mix that is MRTS, airport, etc., 46% and the marine is 20% etc., etc. But in today's scenario, if we see the percentage wise, there is a little change because during last six months' time, we have secured some more

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jobs. So today urban infra is around 33% and highway and bridges have gone to 24% with our job at Uttar Pradesh for Ganga expressway, and marine is 21%. Obviously, marine will be more because there are two jobs we are under persuasion with the client and we are L1. So, the job mix has little bit of change. But there is no structural change as well. I mean, we are continuing to work in the same manner what we used to work before. Side margin profile and execution time cycle as you know that it varies from two to three years' time. Marine job, we can complete within say two to two and a half years. But Metro jobs take some more time because they have got many other activities involved in the job, sort of interface, so it normally takes three to four years' time. This is the normal time cycle of the job and margin percentage, as you have seen, that it is close to 10% and that is what is the normal standard margin in construction industry. Your question was regarding the interest cost which you think it is high, I think Prasad, I will request you to answer this.

- **Mr. Prasad Patwardhan – Chief Financial Officer, ITD Cementation India Ltd:**

- Thank you, Mr. Basu. You mentioned about the interest cost and the bank guarantee commission that we are paying, I think the comparison with corporate guarantees that we have given is not correct in that sense. Corporate guarantee, we are not paying any commission on corporate guarantees, but all the projects that we have under execution, we have to provide performance guarantees of roughly 10% and advance guarantees of 10 to 15% and for these bank guarantees, our banks are charging us guarantee commission. So, as of March 22, we had outstanding bank guarantees of roughly three and a half thousand crores. So, this 40 crores of guarantee commission that you have should be seen in reference to the guarantees that we have issued, our banks have issued on behalf for our contracts that we have under execution. And according to that, we don't think the commission is too high. The other aspect that you mentioned is about the interest on customer advances. Normally, we get 10 to 15% of the contract value as advances from our customers. Wherever the orders are from private parties, or private customers, there the advances tend to be interest free, but in case of government contracts, most of our customers charge interest which are linked to market. So, that is the interest cost which is appearing in our financials. Thank you.

- **Mr. Jayanta Basu – Managing director, ITD Cementation India Ltd:**

- And the last question was from Mr. Rajendra Seth and Mr. Seth we really liked the Sanskrit shloka, it was very refreshing. And your question was regarding dividend, I think definitely we'll look into that going forward.

- **Mr. Prasad Patwardhan – Chief Financial Officer, ITD Cementation India Ltd:**





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- Yeah, we will certainly look into that. And in fact, actually this year, we have substantially increased the dividend. Last year the dividend payout was 12%. This year the dividend has been increased from 12% to 45%. So, we are conscious of our responsibility in this regard and you will see a higher payout this year and hopefully going forward also will try to maintain or improve on the dividend payout.
- **Mr. Jayanta Basu – Managing director, ITD Cementation India Ltd:**
- I think the question from Mr. Dhruv Dalada on the steel price.
- **Mr. Rahul Neogi - Company Secretary, ITD Cementation India Ltd:**
- Yes,
- **Mr. Jayanta Basu – Managing director, ITD Cementation India Ltd:**
- Yes, we have seen a sinusoidal in the steel price very recently. It was very high a few months back, now it is stabilized and that is helping us and we keep track of that. There is a lag of around two to three months, but most of our contracts are covered under escalation clauses. So that gives us respite and moreover in some of the private client we try to have a star price that means we can take the contract a fixed deal price the price increases or reduces accordingly our also value changes. So that was what all about all steel price. Is there anything else?
- **Mr. Rahul Neogi - Company Secretary, ITD Cementation India Ltd:**
- Thank you. I will request Chairman Sir to kindly take it over.
- **Mr. Piyachai Karnasuta – Chairman, ITD Cementation India Ltd:**
- Okay. I believe that the questions come in have been dealt with. I thank the shareholders for sharing their interest in the company operations, for incisive questions asked and their valuable comment made. I would like to thank all the shareholders who are attending this meeting through video conferencing. The E-voting process will continue for the next 15 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 family a very healthy and safe future. Thank you, ladies and gentlemen, once again for being with us this afternoon through video conferencing. Thank you.
- **(END OF TRANSCRIPT)**

