

BROADENING SHOULDERS

GPT Infraprojects Limited | Annual report 2011-12



Forward-looking statement

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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CORPORATE INFORMATION

Chairman	:	Mr. D.P. Tantia
Managing Director	:	Mr. S.G. Tantia
Executive Director	:	Mr. Atul Tantia
Non-Executive Directors	:	Mr. H.S. Sinha Mr. V.N. Purohit Dr. N.N. Som Mr. Kunal Kumthekar Mr. Sunil Patwari
Chief Operating Officer	:	Mr. Vaibhav Tantia
Chief Finance Officer	:	Mr. A.K. Dokania
Company Secretary	:	Mr. R. Mishra
Bankers	:	State Bank Of India Allahabad Bank Axis Bank Limited ICICI Bank Limited IDBI Bank Limited Standard Chartered Bank
Auditors	:	SRBC & Co. (Chartered Accountants)
Registered & Corporate Office	:	JC – 25, Sector – III, Salt Lake, Kolkata - 700 098, India
Works	:	Concrete Sleeper Division i. P. Way Depot, Panagarh, District - Burdwan, West Bengal ii. Bhadramore, Chousal, P.S. Gangajal Ghati, District - Bankura, West Bengal Wind Power Division Irukkandurai, Radhapuram, District – Tirunelveli Tamilnadu
Registrar & Transfer Agent	:	ABS Consultants Private Limited Stephen House, 4, B.B.D. Bag, Kolkata - 700 001



DIRECTORS' REPORT

Dear Shareholders,

We are delighted to present the 32nd Annual Report on our business and operations of the Company and the audited accounts for the financial year ended 31st March, 2012.

Results of operations

₹in Lakhs, except per share data
(₹1 Lakh equals ₹100,000)

Particulars	Standalone		Consolidated	
	2011-12	2010-11	2011-12	2010-11
Earnings before interest, Tax, depreciation and Amortisation (EBIDTA)	4,567.06	4,426.98	6,721.22	5,946.66
Finance Cost	2,285.48	1,656.57	2,599.43	2,066.44
Depreciation & Amortisation	734.57	593.29	1,538.19	1,197.45
Profit before tax (PBT)	1,547.01	2,177.12	2,583.60	2,682.77
Tax Expense	262.97	595.15	735.88	728.16
Profit after tax (PAT)	1,284.04	1,581.97	1,847.72	1,954.61
Minority Interest	–	–	272.67	95.71
Profit after tax and minority interest	1,284.04	1,581.97	1,575.05	1,858.90
Profit and loss account balance brought forward	3,807.53	2,485.58	4,412.85	2,813.97
Amount available for appropriation	5,091.57	4,067.55	5,987.90	4,672.87
Dividend	218.14	172.10	218.14	172.10
Dividend tax	35.39	27.92	35.39	27.92
Amount transferred to general reserve	75.00	60.00	75.00	60.00
Balance in profit and loss account	4,763.04	3,807.53	5,659.37	4,412.85
Earnings Per Share :				
Basic	9.07	15.27	11.13	17.95
Diluted	9.07	14.78	11.13	17.37

Business Results

For the year 2011-12, the total stand-alone revenue of the Company stands at ₹31,183.49 Lakhs in comparison with the previous year amounting to ₹37,148.58 Lakhs.

EBIDTA for the year under review is ₹4,567.06 Lakhs compared to ₹4,426.98 Lakhs for the previous year.

PAT for the year under review is ₹1,284.04 Lakhs compared with ₹1581.97 Lakhs for the previous year.

Concrete Sleeper business

During 2011-12, this business recorded a total income of ₹5,630.51 Lakhs as against ₹5,876.90 Lakhs in the previous year.

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 (A Government of Namibia undertaking) has commenced during the year under review. The said Joint Venture Company namely GPT TransNamib Concrete Sleepers (Pty) Limited has recorded a turnover of N\$ 28,050,000 (₹1,822.90 Lakhs) and net profit after tax N\$1,394,753 (₹90.64 Lakhs).

The manufacture and supply of concrete sleeper at the Company's South African subsidiary namely GPT Concrete Products (South Africa) Pty Limited is smoothly going on and the said subsidiary has recorded a turnover of ZAR 74,056,974 (₹4,816.11 Lakhs) and a PAT of ZAR 9,117,554 (₹592.94 Lakhs).

Infrastructure business

During 2011-12, this division contributed an income of ₹24,940.55 Lakhs against that of ₹30,668.74 Lakhs in the previous year. This business segment currently has order book under execution of ₹1400 crore approximately.

Wind power business

During the current year, this division contributed ₹127.36 Lakhs to the total income against that of ₹121.78 Lakhs in the previous year.

Dividend

The Board of Directors are pleased to recommend a dividend of ₹1.50 per equity share (i.e. 15% on par value of ₹10 each) aggregating to ₹218.14 Lakhs (excluding dividend tax of

₹35.39 Lakhs) on existing 14,543,000 nos. Ordinary share of ₹10 each of the Company as on 31st March, 2012, subject to the approval of shareholders in the ensuing Annual General Meeting of the Company.

Share Capital

During the year under review, your Company allotted 775,000 Equity Shares of ₹10/- each fully paid up at a premium of ₹130/- per share upon conversion of 5,75,000 equity warrants of ₹140/- each and 2,00,000 compulsorily convertible preference shares of ₹140/- each as per the option for conversion exercised by the warrant holder as well as convertible preference share holders, respectively. Consequently, the paid-up equity share capital of the Company increased to ₹145,430,000.

As on 31st March, 2012, neither the Company has any Preference Share Capital nor any outstanding Warrants, compulsorily convertible preference shares or other convertible instruments.

Credit Rating of Debt Instrument

The long term credit facilities continues to be rated by Credit Analysis & Research Ltd (CARE) as BBB+.

Corporate Social Responsibility(CSR)

The following CSR activities were undertaken by the Company during the year 2011-12:

A sum of ₹45.00 Lakhs contributed during the year under review to a charitable trust for various social upgradation programmes.

Management's Discussion and Analysis

Management's Discussion and Analysis Report for the year under review as stipulated under clause 49 of the Listing Agreement with stock exchanges, is presented in a separate section forming part of the Annual Report.

Directors

Mr. Dwarika Prasad Tantia and Mr. Shree Gopal Tantia, Directors of the Company will retire at the forthcoming Annual General Meeting by rotation and, being eligible, offer themselves for re-appointment.

Subsidiary companies

During 2011-12, your Company continues to hold 54% shareholding of a joint venture company namely GPT Concrete



Products South Africa (Pty) Limited, co-promoted in South Africa with the object inter alia to manufacture and supply concrete sleepers in South Africa.

Your Company promoted another wholly-owned subsidiary namely GPT Investments Private Limited, incorporated on 27th March 2008 in Republic of Mauritius with the object mainly to part finance your Company's subsidiary in South Africa and other overseas projects.

Your Company also co-promoted a subsidiary company namely Jogbani Highway Private Limited, incorporated on 31st May, 2010 as special purpose vehicle (SPV) for the purpose of executing a road project awarded by National Highway

Authority of India on Design Built Finance Operate and Transfer (DBFOT) on annuity basis. Your Company holds 73.33% equity shares in the said subsidiary. The Company also acquired 250,000 nos. 12% Non-cumulative Redeemable Preference Shares of ₹100/- each fully paid up of the said subsidiary through preferential allotment on private placement basis.

Your Company acquired Superfine Vanijya Pvt. Limited (Name changed to GPT Marecom Private Limited) as wholly-owned subsidiary for the purpose of establishing and running an export-oriented unit (EOU) for manufacture of PVC Revetment Concrete Mattress generally used for maritime protection works.

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary companies:-

Name of subsidiary	GPT Concrete Products South Africa (Pty) Limited, South Africa	GPT Investments Private Limited, Mauritius	Jogbani Highway Private Limited	GPT Marecom Private Limited
Financial year ending of the subsidiary	31st March 2012	31st March 2012	31st March 2012	31st March 2012
No. of equity shares held with its face value	27,000 (PY- 27,000) Equity shares of ZAR 1 each	2,125,000 (PY- 2,125,000) Equity shares of USD 1 each	3,300,000 (PY – 3,300,000) Equity shares of ₹10/- each	485,920 (PY – 485,920) Equity shares of ₹10/- each
Extent of Holding	54% (PY 54%)	100% (PY 100%)	73.33% (PY-73.33%)	100% (PY-100%)
Profit/(loss) so far as it concerns the members of the holding company and not dealt with in the holding company's accounts	₹320.19 Lakhs (PY - ₹119.77 Lakhs)	(₹99.51 Lakhs) (PY - ₹242.94 Lakhs)	(₹1.24 Lakhs) PY – Nil	(₹14.44 Lakhs) PY - ₹4.56 Lakhs
Profit/(Loss) so far as it concerns the members of the holding company and dealt with in the holding company's accounts	Nil (PY Nil)	Nil (PY Nil)	Nil (PY Nil)	Nil (PY Nil)

Note:

1) The Company undertakes that the annual accounts of the above-stated subsidiary companies and the related detailed information are available to the shareholders of the Company and its subsidiary companies as they seek such information at any point of time.

2) The annual accounts of the above-stated subsidiary companies are also available for inspection by shareholders in the head office/registered office of the Company and of the subsidiary companies concerned.

Human resources

During the year under review, there was a renewed thrust on attracting, developing and retaining talent. To improve the competence of employees, organisational effectiveness and productivity, a number of need-based training and development programmes are being organised. Human relations continue to be cordial.

Your Directors wish to place on record their appreciation of all employees for their valuable contribution.

Listing of equity shares

During 2011-12, the Company's equity shares were listed and traded with BSE Limited under direct listing route on and from 5th December, 2011. The Company's equity shares are also listed with the Calcutta Stock Exchange Ltd. (CSE) and the U.P. Stock Exchange Ltd. (UPSE). Both Calcutta stock exchange and UP Stock Exchange have issued their listing approval/trading approval to the Company in respect of allotment 775,000 Equity Shares of ₹10/- each fully paid up at a premium of ₹130/- per share upon conversion of 575,000 equity warrants of ₹140/- each and 200,000 compulsorily- convertible preference shares of ₹140/- each.

Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance. The report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

The requisite certificate from the Auditors of the Company, M/s. SRBC & Co., Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is attached to this Report.

Fixed Deposit

Your Company is not inviting or accepting any deposits from the public/ shareholders.

Conservation of energy, technology absorption and foreign exchange earnings and outgo

The additional information required under the provision of Section 217(1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1998, and forming part of the Report, is also annexed hereto.

Particulars of Employees

The name and other Particulars of Employees whose salary exceed the limits as prescribed under Section 217(2A) of the Companies Act, 1956, read with the Companies (particulars of Employees) Rules, 1975, are given below:

Name : Mr. Shree Gopal Tantia

Age : 46 years

Qualification : Graduate

Date of Employment : 13th August, 2007

Designation/Nature of duties : Managing Director

Remuneration received gross (₹in '000) : 6,000

Experience : 28 years

Last employment : Managing Director, GPT Infrastructures Private Limited

Notes:

a) Remuneration received includes only salary.
b) Nature of employment is contractual. Other terms and conditions are as per the Board resolution and as per the Company rules.

c) Mr. Shree Gopal Tantia holds 1,368,022 shares in the Company which is about 9.41% of the Company's total equity shares.

Auditors and Auditor's Report

M/s. S.R. Batliboi & Co., Chartered Accountants, Auditors of the Company, has changed its name to SRBC & Co., Chartered Accountants, effective from 1st April, 2012.

M/s. SRBC & Co., Chartered Accountants (Formerly S.R. Batliboi & Co.), Auditors of the Company, retire at the conclusion of the



ensuing annual general meeting and being eligible, offer themselves for re-appointment. The Company has received a letter and certificate from M/s. SRBC & Co., Chartered Accountants to the effect that their reappointment, if made, will be in accordance with the limits specified in Section 224(1B) of the Companies Act, 1956. The Audit Committee in its meeting held on 26th May, 2012 has also recommended the re-appointment of M/s. SRBC & Co., Chartered Accountants, as Statutory Auditors of the Company. Your directors also recommend their re-appointment at the ensuing annual general meeting.

As regards observations contained in the Auditors' Report, the respective notes to the accounts are self-explanatory and, therefore, do not call for further comments.

Unpaid/Unclaimed Dividend

As on 31st March, 2012, the Company is having a sum of ₹623.75 as unpaid/unclaimed dividend lying in its Unpaid Dividend Account, 2011. During the year under review no amount which remained unclaimed and unpaid for a period of seven years, is due for transfer to Investor's Education and Protection Fund.

Consolidated Financial Statements

In accordance with the requirements under clause 32 of the Listing Agreement of Stock Exchanges, Your Company prepared the consolidated financial statements in accordance with the Accounting Standard 21 issued by The Institute of Chartered Accountants of India. The consolidated financial statements form a part of the Annual Report.

Directors' responsibility statement

Pursuant to the requirement under Section 217(2AA) of the

Companies Act, 1956, with respect to the Directors' responsibility statement, it is hereby confirmed:

- a. That in preparation of the annual accounts, the applicable accounting standards were followed along with a proper explanation relating to the material departures, if any;
- b. That the Directors selected such accounting policies and applied them consistently, made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the Company's state of affairs as at 31st March, 2012 and of the Profit and Loss Account of the Company for the year ended on that date;
- c. That the Directors took proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the Company's assets and for preventing and detecting fraud and other irregularities;
- d. That the Directors prepared the annual accounts on going concern basis.

Acknowledgements

Your Directors acknowledge with gratitude the co-operation and assistance received from various agencies of the government and from banks, financial institutions, financial companies, vendors, customers and investors.

Registered office:
JC-25, Sector-III, Salt Lake,
Kolkata 700 098
Dated: 26th May, 2012

For and on behalf of the Board,

D. P. Tantia
Chairman

ANNEXURE - I TO THE DIRECTORS' REPORT

Information under Section 217(1) (e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the Report of Board of Directors) Rule 1988, and forming part of the Directors' Report for the year ended 31st March, 2012.

A. Conservation of energy

(i) Power factor improvement

(ii) Campaign to create awareness amongst the employees on the necessity of conservation of energy is practiced regularly

B. Technology absorption

Research and development (R&D):	None
Technology absorption, adaptation and innovation:	Not applicable

C. Foreign exchange earnings

Exports (FOB) :	₹1882.04 Lakhs (PY ₹2058.14 Lakhs)
Other income :	₹100.67 Lakhs (PY ₹9.89 Lakhs)

D. Foreign exchange Outgo

Foreign travel :	₹22.33 Lakhs (PY ₹8.91 Lakhs)
Professional Fees :	Nil (PY ₹91.27 Lakhs)
Interest :	₹181.82 Lakhs (PY ₹58.43 Lakhs)
Dividend :	Nil (PY ₹50.20 Lakhs)

Registered office:
JC-25, Sector-III, Salt Lake,
Kolkata 700 098
Dated: 26th May, 2012

For and on behalf of the Board,

D. P. Tantia
Chairman

MANAGEMENT DISCUSSION & ANALYSIS



Global economy review

In 2011, the global economy grew 3.8% (5.2% in 2010), emerging economies grew 6.2% (7.3% in 2010) and advanced economies grew 1.6% (3.2% in 2010). This indicates that emerging economies continued to catalyse global growth.

World output (%)

	2010	2011	2012 (P)	2013 (P)
World output	5.2	3.8	3.3	3.9
Advanced economies	3.2	1.6	1.2	1.9
Emerging economies	7.3	6.2	5.4	5.9

[Source: World Economic Outlook, IMF January 24, 2012]

Indian economy review

The growth of the Indian economy is estimated at 6.9% in 2011-12 compared with 8.4% in each of the preceding two years. The decline was on account of a weakening economy, lower industrial growth and reforms slowdown.

Rate of growth of GDP at Factor Cost at 2004-2005 prices (%)

	2005-06	2006-07	2007-08	2008-09	2009-10PE	2010-11QE	2011-12AE
Agriculture, forestry & fishing	5.1	4.2	5.8	0.1	1.0	7.0	2.5
Mining & quarrying	1.3	7.5	3.7	2.1	6.3	5.0	(2.2)
Manufacturing	10.1	14.3	10.3	4.3	9.7	7.6	3.9
Electricity, gas & water supply	7.1	9.3	8.3	4.6	6.4	3.0	8.3
Construction	12.8	10.3	10.8	5.3	7.0	8.0	4.8
Trade, hotels, transport & communication	12.1	11.7	10.7	7.6	10.3	11.1	11.2
Financing, insurance, real estate & business services	12.6	14.0	12.0	12.0	9.4	10.4	9.1
Community, social & personal services	7.1	2.8	6.9	12.5	12.0	4.5	5.9
GDP at factor cost	9.5	9.6	9.3	9.7	8.4	8.4	6.9

[Source: CSO] • PE: Provisional Estimate • QE: Quick Estimate • AE: Advance Estimate