

# **GAMMON INFRASTRUCTURE PROJECTS LIMITED**

## **Transcript of the 19<sup>th</sup> Annual General Meeting held on Wednesday, 30<sup>th</sup> September, 2020 at 12:15 p.m.**

Good afternoon, Ladies and Gentlemen, I hope all of you are safe and in good health. It is 12:15 noon. Time to commence the Annual General Meeting

I, Homai Daruwalla, Chairperson of the Annual General Meeting and Chairperson of Nomination & Remuneration Committee welcome you all to the 19<sup>th</sup> Annual General Meeting of the Company.

The Annual General Meeting is being held through video conferencing / other audio visual means in accordance with the circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

Before we start the main proceedings of the Annual General Meeting, let me introduce you to my colleagues attending the Annual General Meeting through video conferencing / other audio visual means.

Mr. Chayan Bhattacharjee, Whole-Time Director from Mumbai, Maharashtra, Mr. Jaysingh Ashar, Non-Executive Director from Rajkot, Gujarat, Mr. Mahendra Kumar Agrawala, Chartered Accountant, Independent Director from Bhubaneswar, Odisha.

Mr. Mahendra Kumar Agrawala is the Chairman of the Audit Committee and the Chairman of the Stakeholders Relationship Committee, Mr. Vinod Sahai, Independent Director from Milano, Italy and Mr. Sunilbhai Chhabaria, Independent Director from Ahmedabad, Gujarat.

Mr. Naresh Sasanwar, Chief Financial Officer and Mr. Kaushal Shah, Company Secretary & Compliance Officer of the Company have joined the Annual General Meeting through video conferencing / other audio-visual means from Mumbai, Maharashtra.

Mr. K. N. Padmanabhan, Partner, M/s. Nayan Parekh and Co., Statutory Auditors and Mr. Veeraraghavan N., Secretarial Auditor have also joined the Annual General Meeting through video conferencing from Mumbai, Maharashtra and Palakkad, Kerala respectively.

As all of us are aware, this year has begun with a serious and unprecedented challenge posed by the Covid-19 pandemic or the coronavirus which posed a huge risk to the lives around the world.

At the end of March 2020, the Central Government and State Government had announced lockdown and extended the same from time to time for the sake of public safety. However, the pandemic had forced many ground level restrictions impacting the integrated functioning of the economy.

# GAMMON INFRASTRUCTURE PROJECTS LIMITED

The pandemic has changed the way we live, work and has made work from home, social distancing and higher technology adoption as the new normal. It has proved to be an acid test for both, traditional and new age companies to survive, evolve and transform. It called for designing a new plan of action and adjusting to the new realities rapidly and responsibly.

The requisite members including authorised representatives of body corporate members are present in the Annual General Meeting of the Company. Since the necessary quorum is present, I call the meeting to order.

I now request Mr. Kaushal Shah, Company Secretary & Compliance Officer to provide general instructions to the members regarding participation in the Annual General Meeting.

Mr. Kaushal Shah: Good afternoon, Ladies and Gentlemen.

Following are the instructions for the members for attending the Annual General Meeting. The members may note that the facility to attend the Annual General Meeting through video conferencing / other audio visual means is made available to at least 1,000 members on a first-come-first-serve basis in accordance with the circulars issued by the Ministry of Corporate Affairs. The members may also note that participation of members through video conferencing / other audio visual means is reckoned for the purpose of quorum as per the circulars issued by Ministry of Corporate Affairs and section 103 of the Companies Act 2013. The Register of Directors and Key Managerial Personnel, the Register of Contracts or Arrangements and other documents referred to in the Notice of Annual General Meeting shall be made available to the members electronically. The Members seeking inspection of such documents can send their request to [compliances@gammoninfra.com](mailto:compliances@gammoninfra.com)

As the Annual General Meeting is being held through video conferencing / other audio visual means, the facility to appoint proxy to attend and cast vote for the members is not available for the Annual General Meeting. The Company has received request from a few members to register them as speakers at the Annual General Meeting. Accordingly, the floor will be open for these members to express their views / ask questions in order of date of receipt of their emails by the Company. Central Depository Services India Limited will facilitate the session once the chairperson opens the floor for questions and answers.

The Company has provided to the members the facility to cast their votes electronically on all resolutions set forth in the notice. The members who have not cast their vote through remote e-voting and who are present in the Annual General Meeting through video conferencing / other audio visual means shall be eligible to vote through the e-voting system available during the Annual General Meeting. The members may please note that there will be no voting by show of hands.

Thank you.

Ms. Homai Daruwalla: Thank-you Mr. Shah.

# **GAMMON INFRASTRUCTURE PROJECTS LIMITED**

The Company has taken all feasible efforts and the current circumstances to enable members to participate through video conferencing / other audio visual means and vote at the Annual General Meeting. I thank all the members, colleagues on the Board, the Auditors and the Key Managerial Personnel for joining the Annual General Meeting.

The Whole-Time Director's message to the members has been circulated as part of the Annual Report 2019-2020 along with the Notice of this Annual General Meeting.

I take the Whole-Time Director's message as read.

I now invite the Company Secretary & Compliance Officer to read the basis of qualified opinion in the Auditor's Report.

Mr. Kaushal Shah: I am reading before you the basis of qualified opinion in the Auditor's Report.

"To the Members of Gammon Infrastructure Projects Limited,

Report on the Standalone Financial Statements

Qualified Opinion

We have audited the Standalone Financial Statements of Gammon Infrastructure Projects Limited (the "Company") which comprise the Balance Sheet as at March 31 2020, the Statement of Profit & Loss for the year ended March 31, 2020 and the Cashflow Statements for the year ended March 31, 2020 along with the Notes to Accounts

Mr. Chayan Bhattacharjee: I take the basis of qualified opinion in the Auditor's Report as read.

Mr. Kaushal Shah: Thank You, Sir.

Ms. Homai Daruwalla: I now invite the speakers to express their views / ask questions, if any, on the agenda items in the notice.

I also request the members to express their views in brief and do not repeat the questions already raised by the other members. I now request Mr. Kaushal Shah, Company Secretary & Compliance Officer to call out the names of the speakers who have registered themselves.

Mr. Kaushal Shah: Mr. Kirti Shah

Mr. Kirti Shah: Good Afternoon.

Madam Chairperson, I have sent many emails but there is no feedback. I have already sent an email, kindly give me appointment.

# GAMMON INFRASTRUCTURE PROJECTS LIMITED

Ms. Homai Daruwalla: Okay, the Company will be looking into the matter.

Mr. Kirti Shah: Wish you all the best.

Mr. Kaushal Shah: Thank You. Mr. Sharadkumar Jivraj Shah.

Mr. Sharadkumar Jivraj Shah: Can you listen to me now. I have also started my video now. My video is okay?

I welcome you, Bhattacharjee sir as the Whole-Time Director and it looks like something we need and I think he is very lucky for Gammon Infra and he brings Gammon Infra into profit at his entry level. Now, it is time for you to use this luck as it is the need of time to restructure the whole world, not only Gammon Infra. Gammon Infra is a small company. If his luck works, the whole world can be restructured.

Sir, annuity Rs.189.2 Crores we have received from Bihar project, inform how you have spent this Rs. 189.2 Crores, that is not there.

How long in years this annuity will continue that also you should reply. And the indicate income, basically we get income from toll, revenue sharing, sale of power and steam, so this particular information is not available from this report and operating projects, which you can inform just now. Also out of profit what we have done, we have paid Rs. 44 lakhs to NSE and BSE. So, hereafter we should not make any mistakes so that we will have to pay penalty and another thing what I observed, Sir, basically the shareholding pattern of the promoters is only 20%, when share price is only 20 paise and when the Company is doing good, making profit, such cases why Company's people or the promoters and the Directors does not increase their stake, that also you should please clarify. Thank you very much for giving me the opportunity.

Ms. Homai Daruwalla: Thank You.

Mr. Kaushal Shah: Ms. Lekha Satish Shah

Ms. Lekha Satish Shah: Respected Chairperson Madam, Board of Directors and my fellow members, good afternoon to all of you. I am Lekha Shah from Mumbai. I am very thankful to the Company Secretary, Mr. Kaushal bhai and Mr. Nirav bhai for extending very good investor services and also sending annual report by email well in time in such a difficult situation which is full of knowledge, facts and figures. Due to Covid-19 pandemic we are facing crisis and have to stay home.

Thank You madam for explaining us well about the Company.

Madam chairperson, I would like to ask a few questions.

How is the Company preparing itself in a post covid-19 world?

What are the learnings from the lockdown and how is the Company implementing those learnings?

# GAMMON INFRASTRUCTURE PROJECTS LIMITED

How are we engaging our employees?

What is the roadmap for the next three years?

I would like to say that I support all the resolutions and wish you good luck for a bright future

Thank you.

Ms. Homai Daruwalla: Thank You.

Mr. Kaushal Shah: Please unmute Mr. Dnyaneshwar Bhagwat

Moderator: Mr. Dnyaneshwar is not available.

Mr. Kaushal Shah: Okay. Please unmute Mr. Harish Hiralal Kapoor.

Mr. Harish Kapoor: Hello. I am Harish Kapoor, unfortunate shareholder of this Company and before I start, I am going through your Balance Sheet and since last many years I have observed that the Company is in a heavy loss in almost all the contracts they have undertaken. Either they are in a dispute or the payments are not coming, whatever they are doing. So, for all these things like any shareholder, few points come up in my mind.

What is the reason of all the contracts which we can see like last many years, are in dispute, is that not a lapse on the part of the management and I want to know, what is the reason of payment not coming for it.

What is the action taken by the management for realizing all these amount and why have they selected all these type of contracts where there is a doubtful payment, payments are delayed.

What is the readiness on the part of the management?

Secondly, another point I have observed in the Balance Sheet that the management has been drawing hefty payments in the name of remuneration, salary, etc. such withdrawal is in millions and crores, so is it not the time they should all be looking at the financial health and weakness of the Company, they should come forward to reduce their withdrawals, they should cut their salary, so my contention is my request to the management for taking my point. The management should cut down looking at the covid-19 also, people are in a bad shape, we the poor shareholders are victim of that, so they should come on their own to reduce their withdrawals.

Secondly, what is the action the management is going to take to win the award or boost the morale or the desperate shareholders like me. So I would like to know what timeline, road map further to improve the financial situation of the Company. So I would like the same from the management particularly reducing the remuneration of the directors.

# GAMMON INFRASTRUCTURE PROJECTS LIMITED

Thank you.

Mr. Kaushal Shah: Thank you Mr. Kapoor. Please unmute Mr. Chandrakant Mehta.

Mr. Chandrakant Mehta: Good afternoon. Madam Chairperson, the Board of Directors and the Company Secretary, my question is that please let me know the impact of coronavirus covid-19 pandemic on the business, ability to maintain operations, including office, places under lockdown, if any, and restarting the operations. My second question is, are the Company and its products under the essential commodity category and whether the Company is able to continue its operations activities with effect from March 31, 2020. And the last question is please let me know, as the Company does foresee any service of debts of financial arrangements availed. Thank you for your kind information. I already approved all the resolutions on annual accounts and others through remote e-voting day before yesterday. Thank you very much.

Mr. Kaushal Shah: Thank You Mr. Mehta. Please unmute Mr. Anil Mehta.

Moderator: There is some technical issue at the end of Mr. Mehta.

Mr. Kaushal Shah: Please unmute Mr. Francis Figueiredo.

Mr. Francis Figueiredo: Mr. Chairman and Board of Directors, first I would like to thank the Company Secretary for inviting me to speak. I just have two questions, going through the balance sheet, we have a wide portfolio of projects, building roads, ports, etc., for the ongoing lockdown, are we facing any problem like labour availability and also lastly I would like to thank the management for the best approach to see the Company back in profit making in the near future. Thank you.

Mr. Kaushal Shah: Can you unmute Mr. Anil Mehta.

Moderator: There is some issue at his end. We are not able to connect.

Mr. Kaushal Shah: Then we may go ahead with the proceedings. We may take him later.

Ms. Homai Daruwalla: May I request that CFO to please answer these questions briefly.

Naresh Sasanwar: Thank you madam.

I appreciate the concerns of the Shareholders of the Company and basically who stand by the Company to resolve the issues the Company is facing. The Company is a project development company in infrastructure in various sectors such as roads, ports, powers etc. Most of the Projects have basically undergone various issues with respect to delay in completion.

Gammon Infrastructure Projects Limited signed concession agreement with various State Governments and Central Government. The obligations/conditions under Concession Agreement signed by the respective Project Company with various State Governments and Central Government have not been complied with by the



## **GAMMON INFRASTRUCTURE PROJECTS LIMITED**

Government Authorities. The Major responsibilities of the Government Authorities of providing land and Right of Way (RoW) for construction of these Projects have not been given and are pending in most of the projects. This is one of the reasons the Company is unable to complete the Project and because of the delays, the project cost of each projects have increased majorly on account of Interest During Construction Period.

The Shareholders would know that the projects are partly funded by major public sector banks basically and theses debts are serviced on monthly basis which increased the finance cost of each projects and there is an additional burden of interest to the extent of Rs.1000 to 1500 crores for all the projects put together, which has resulted in the Company not having the resources to complete the projects.

With respect to one of the shareholders query about impact of COVID-19 pandemic situation on the business of the Company, how it was impacting, I say that the impact is worldwide and definitely the projects were affected. Having said that we are dealing with the challenges and have taken various steps to ensure that our projects are operational as they fall under essential services. As far as impact of COVID-19 is concerned with the performance of the Company, definitely it has significant impact on the Projects with respect to manpower, construction projects, delivery schedule, milestones to be achieved, local administration's advice to shut down operations, etc. the performance of the Company was very badly affected and the impact was very high. The Company offices and site offices were closed and re-opened with limited staff. The work force was shifted from office to work from home, which caused delay in reporting annual financials and quarterly accounts as well. Most of the projects have been impacted because the Central Government and State Governments have not been resolving the issues related to these projects, and we have incurred additional interest on debts.

The Company is entitled to claim on defaults of governments which are in process. The arbitration process have been initiated for couple of our delayed projects against the governments to recover the claim, which will help us to repay debts and reduce the losses incurred by respective projects over a period of time. Having said that I require learned shareholders' who are present online for their support. Without their support, the Company will not be in a position to meet the challenges going forward. Various legal and arbitration proceedings have been initiated against governments to recover its claims. The claims are around Rs.500 crore to Rs.4000 crores and the Company is confident of getting positive results.

With respect to going forward on road map of next period, we will come back to you with detailed reply which we will send across to respective shareholders by email.

With respect to Mr. Kapoors mail regarding salaries on the higher side to Whole Time Director, I would like to assure that we as senior management have taken all the possible steps from time to time to reduce the cost, which is also reflected in the Statement of Profit & Loss of the Company for the year ended March 31, 2020 and will be seen in the near future as well. As of today, there are only two employees who are working in the Company. Many employees have left from the services over the past year or so and Mr Mohanty, former Managing Director has resigned in

# **GAMMON INFRASTRUCTURE PROJECTS LIMITED**

December, 2019. Mr. Chayan Bhattacharjee has been appointed as Whole Time Director, in place of Mr K.K Mohanty, former MD and has taken charge of the Company to comply with the listing requirements of the Company

Ms. Homai Daruwalla – Thank you Mr. Naresh

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has provided its members the facility to exercise their right to vote at the Annual General Meeting by electronic means.

Therefore, we will not have voting by show of hands on any of the resolutions. Please note that those who have exercised their vote during the remote e-voting will not be eligible to vote at the Annual General Meeting.

Mr. N. Veeraraghavan, the Practicing Company Secretary has been appointed to supervise the e-voting process.

The results of e-voting will be announced by intimation to National Stock Exchange of India Limited and the BSE Limited within 48 hours from conclusion this Meeting. It will also be uploaded on the Company's website [www.gammoninfra.com](http://www.gammoninfra.com) along with the Scrutinizer's report.

I take it that you have read the Financial Statements for financial year ended 31<sup>st</sup> March, 2020, standalone as well as consolidated. I also take the Notice of the meeting as read.

Now, I shall proceed with the formal agenda of the Meeting as set forth in the Notice.

## **Item No. 1 of the Notice:**

### **Adoption of Financial Statements**

The Financial Statements of the Company including the Consolidated Financial Statements for the financial year ended March 31, 2020 together with the Reports of the Board of Directors and the Statutory Auditors have already been emailed to the members.

## **Item No. 2 of the Notice:**

**To appoint a Director in place of Mr. Chayan Bhattacharjee, who retires by rotation and being eligible, offered himself for re-appointment.**

## **Item No. 3 of the Notice:**

### **Appointment of Mr. Jaysingh Ashar as Non-Executive Director**

The Board seeks your approval to the appointment of Mr. Jaysingh Ashar as Non-Executive Director of the Company. The text of the resolution along with explanatory statement is provided in the Notice circulated to the members.



# **GAMMON INFRASTRUCTURE PROJECTS LIMITED**

I

## **Item No. 4 of the Notice:**

### **Appointment of Mr. Chayan Bhattacharjee as Whole Time Director**

The Board seeks your approval to the appointment of Mr. Chayan Bhattacharjee as Whole Time Director of the Company for a period of one year effective 15<sup>th</sup> December, 2019. The text of the resolution along with explanatory statement is provided in the Notice emailed to the members.

## **Item No. 5 of the Notice:**

### **Variation of terms of appointment of Mr. Kishore Kumar Mohanty as the Managing Director.**

The Board seeks your approval for variation of terms of appointment of Mr. Kishore Kumar Mohanty as the Managing Director for a period upto 3 months from 11<sup>th</sup> October, 2019 to 10<sup>th</sup> January, 2020. The text of the resolution along with explanatory statement is provided in the Notice emailed to the members.

## **Item No. 6 of the Notice:**

### **Appointment of Mr. Sunilbhai Chhabaria as an Independent Director.**

The Board seeks your approval to the Appointment of Mr. Sunilbhai Chhabaria as an Independent Director of the Company. The text of the resolution along with explanatory statement is provided in the Notice emailed to the members.

## **Item No. 7 of the Notice:**

### **Appointment of Mr. Vinod Sahai as an Independent Director.**

The Board seeks your approval to the appointment of Mr. Vinod Sahai as an Independent Director of the Company and also an approval for Mr. Sahai to continue as an Independent Director of the Company even after attaining the age of 75 years. The text of the resolution along with explanatory statement is provided in the Notice emailed to the members.

## **Item No. 8 of the Notice:**

### **To enter into a contract with Vizag Seaport Private Limited, material subsidiary.**

The Board seek approval of members to enter into contracts / arrangements / agreements / transactions towards repayment of inter corporate deposit to Vizag Seaport Private Limited, material subsidiary of the Company. The text of the

# **GAMMON INFRASTRUCTURE PROJECTS LIMITED**

resolution along with explanatory statement is provided in the Notice emailed to the members.

Members may note that the voting on the CDSL platform will continue to be available for the next 15 minutes. Therefore, members who have not yet cast their vote are requested to do so.

“I would now like to thank the members for being present at the Annual General Meeting of the Company and declare the Meeting as closed. Kindly check the website of the Company for the results on the e-voting.”