

Directors' Report

Dear Members,

Your Directors are pleased to present the 38th Annual Report of the Company and the audited Financial Statements for the financial year ended 31st March, 2018.

Results of Operations

₹ in Lacs, except per share data
(₹1 Lac equals ₹100,000)

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)	7,574.08	6,705.28	8,667.71	7,878.40
Less: Finance Cost	3,730.42	3,625.68	3,915.00	3,774.90
Depreciation & Amortization	1,686.63	1,297.53	2,204.45	1,718.60
Profit Before Tax (PBT)	2,157.03	1,782.07	2,548.26	2,384.90
Less: Tax Expenses (Net)	422.69	513.63	492.26	569.18
Profit After Tax (PAT) for the year	1,734.34	1,268.44	2,056.00	1,815.72
Add: Other comprehensive income (net of tax expenses)	(36.63)	(26.88)	642.53	571.94
Total comprehensive income for the year	1,697.71	1,241.56	2,698.53	2,387.66
Total Comprehensive income attributable to Non-Controlling Interest	-	-	59.42	38.22
Total Comprehensive income attributable to Owners of the Company	1,697.71	1,241.56	2,639.11	2,349.44
Add: Surplus in statement of profit and loss brought forward (adjusted)	7,832.24	6,747.79	10,957.35	8,765.02
Amount available for Appropriation	9,529.95	7,989.35	13,596.46	11,114.46
Interim Dividend on equity shares	799.87	145.43	799.87	145.43
Tax on interim equity dividend tax (Net)	31.13	11.68	31.13	11.68
Surplus in statement of profit and loss carried forward	8,698.95	7,832.24	12,765.46	10,957.35
Earnings Per Share :				
Basic	5.96	4.37	6.86	6.13
Diluted	5.96	4.37	6.86	6.13

Business Results

For the year 2017-18, the total revenue of the Company stands at ₹47,156 Lacs and ₹53,856 Lacs in comparison with the previous year amounting to ₹48,215 Lacs and ₹51,735 Lacs for standalone and consolidated respectively.

EBITDA for the year under review is ₹7,574 Lacs and ₹8,668 Lacs in comparison with the previous year amounting to ₹6,705 Lacs and ₹7,878 Lacs for standalone and consolidated respectively.

Profit for the year under review including other comprehensive income (net of tax) is ₹1,698 Lacs and ₹2,699 Lacs in comparison with the previous year amounting to ₹1,242 Lacs and ₹2,388 Lacs for standalone and consolidated respectively.

Concrete Sleeper Business

During 2017-18, this business recorded total revenue of ₹6,370 Lacs

and ₹13,219 Lacs in comparison with the previous year amounting to ₹3,040 Lacs and ₹6,279 Lacs for standalone and consolidated respectively.

Infrastructure Business

During 2017-18, this division contributed revenue of ₹38,961 Lacs against that of ₹44,071 Lacs for the previous year for both standalone and consolidated basis. This business segment currently has order book of ₹2,347 Crore approximately.

Indian Accounting Standards (IND-AS)

The Ministry of Corporate Affairs (MCA), vide its notification in the Official Gazette dated February 16, 2015, notified the Indian Accounting Standards (IND-AS) applicable to certain class of companies including your Company. In pursuance of this notification, the Company including its subsidiaries, associates and

joint ventures have adopted IND-AS with effect from April 1, 2017, with a transition date of April 1, 2016.

Dividend

The Board of Directors ("the Board") had declared two interim dividends, aggregating to ₹2.00 per share of ₹10/- each for the financial year 2017-18. Your Board has considered the said interim dividends as final.

Bonus

During the financial year the Company had issued and allotted 1,45,43,000 numbers of Bonus equity shares in the ratio of 1:1 to the shareholders of the Company.

Reserves

The Company has not transferred any amount to the General Reserves during the financial year ended 31st March 2018.

Credit Rating

The long term credit facilities continue to be rated by Credit Analysis & Research Ltd. (CARE) and the present rating of the Company as given by them is BBB (Triple "B") reaffirmed on 8th September, 2017.

Consolidated Financial Statement

As per Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, the Consolidated Financial Statements of the Company for the financial year 2017-18 have been prepared in compliance with applicable Accounting Standards and on the basis of audited financial statements of the Company, its subsidiaries and associate companies and Joint Ventures, as approved by the respective Board of Directors. The Consolidated Financial Statements together with the Auditors' Report forms part of this Annual Report.

Subsidiaries, Joint Ventures and Associate Companies

During the year under review, none of the Company's subsidiaries, joint ventures or associate companies except few joint ventures have become or ceased to be Company's subsidiaries, joint ventures or associate companies. A report on the performance and financial position of each of the subsidiaries, associates and joint venture companies as per the Act is provided as an Annexure to the consolidated financial statement and hence not repeated here for the sake of brevity. The Policy for determining material subsidiaries as approved may be accessed on the Company's website at the link: http://www.gptinfra.in/investors/corporate_policies.php.

Directors' Responsibility Statement

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards read with requirements set out under Schedule III to the Act, had been followed and there are no material departures from the same;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for the year ended on that date;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a 'going concern' basis;
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Corporate Governance

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out under the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "Listing Regulations". The report on Corporate Governance as stipulated under the Act and Listing Regulations forms an integral part of this Report. The requisite certificate from a Practicing Company Secretary confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

Management Discussion and Analysis

Management Discussion and Analysis forms an integral part of this report and gives details of the overall industry structure, economic developments, performance and state of affairs of the Company's various businesses.

Business Risk Management

Pursuant to the provisions of Regulation 21 of the Listing Regulations, the Company is not required to constitute a Risk Management Committee. The Company has however laid down procedures to inform Board members about the risk assessment and minimization procedures. The Company's management systems, organizational structures, processes, standards, code of conduct, Internal Control and Internal audit methodologies and processes that governs as to how the Company conduct its business and manages associated risks. The Company also has in place a Risk Management Policy to identify and assess the key risk areas. The Members of the Audit Committee monitors and reviews the implementation of various aspects of the Risk Management Policy. Major risks identified by the Company are systematically addressed through mitigating actions on a continuous basis. The Company has also adopted Risk Assessment, Minimization and Control Procedures.

At present no particular risk whose adverse impact may threaten the existence of the Company is visualized.

Contracts and Arrangements With Related Parties

In line with the requirements of the Act and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on Company's website at http://www.gptinfra.in/investors/corporate_policies.php. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. This Policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length basis. All Related Party Transactions entered during the year were in Ordinary Course of the Business and on Arm's Length basis.

No Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements were entered into during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC 2 is not applicable.

Corporate Social Responsibility (CSR)

The Corporate Social Responsibility Committee of the Board has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy may be accessed on the Company's website at the link: http://www.gptinfra.in/investors/corporate_policies.php.

The Annual Report on CSR activities is annexed herewith marked as Annexure –I

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

Directors and Key Managerial Personnel

In accordance with the provisions of the Act and the Articles of Association of the Company:

- (i) Mr. Atul Tantia, Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board recommends his re-appointment.
- (ii) The term of Mr. Shree Gopal Tantia as Managing Director, Mr. Atul Tantia as Executive Director and Mr. Vaibhav Tantia as Director & COO are expiring on 31st July, 2018. It is proposed to re-appoint them for a further period of 3 (three) years subject to approval of shareholders in the ensuing Annual General Meeting. The Board recommends their re-appointment.
- (iii) Mr. Shree Gopal Tantia, Managing Director, Mr. Atul Tantia, Executive Director, Mr. Vaibhav Tantia, Director & COO, Mr. Arun Kumar Dokania, CFO and Mr. A.B.Chakrabarty, Company Secretary are Key Managerial Personnel of the Company in accordance with the provisions of Sections 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

Declaration by Independent Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, and Listing Regulations. None of the Directors have been subjected to any disqualification under the Act.

Board Evaluation and Remuneration Policy

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees, the Chairman and other individual Directors which includes criteria for performance evaluation of the non-executive Directors and executive Directors. On the basis of Policy approved by the Board for performance evaluation of Independent Directors, Board, Committees and other individual Directors, a process of evaluation was followed by the Board for its own performance and that of its Committees and individual Directors. The details of programmes for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company and can be accessed at the link: http://www.gptinfra.in/investors/corporate_policies.php.

The Nomination and Remuneration Policy of the Company is attached herewith marked as Annexure –II.

Ratio of Remuneration of Executive Directors to the median remuneration of the employees of the Company as on 31st March 2018:

(a) The Ratio of remuneration of Executive Directors to the median remuneration of employees of the Company is given below:

Name of the Director*	Remuneration for the year ended 31 st March, 2018 per annum (Amount in ₹in Lacs)	Ratio (Remuneration of Director to Median Remuneration)
Mr. Shree Gopal Tantia	72.00	52:1
Mr. Atul Tantia	54.00	39:1
Mr. Vaibhav Tantia	54.00	39:1

*Other Directors were paid only sitting fees. Mr. D. P. Tantia, Chairman is entitled for sitting fees and commission at a rate of 1% of the net profit amounting to ₹20.35 Lacs.

(b) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, during the financial year under review:

Name of Director/KMP	Designation	% increase in Remuneration	Remuneration of Director/KMP in FY 2016-17 (₹ in Lacs)	Remuneration of Director/KMP in FY 2017-18 (₹ in Lacs)
Mr. Shree Gopal Tantia	Managing Director	9.09%	66.00	72.00
Mr. Atul Tantia	Executive Director	12.50%	48.00	54.00
Mr. Vaibhav Tantia	Director & COO	12.50%	48.00	54.00
Mr. Arun Kumar Dokania	Chief Financial Officer	12.50%	48.00	54.00
Mr. A B Chakrabarty (Appointed on 1.06.2017)	Company Secretary	NA	NA	7.65

(c) The percentage increase in the median remuneration of employees in the financial year (w.e.f 1st April, 2017):15.00%

(d) The number of permanent employees on the rolls of the Company were 1261 as on 31st March, 2018 as against 1141 as on 31st March, 2017.

(e) Average percentile increase already made in the salaries of employees other than the KMPs in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Particulars	Percentage
Average percentile increase made in the salaries of employees other than the managerial personnel	12.10%
Percentile increase in the remuneration of KMPs	9.41%

The average increase in remuneration of employees other than KMPs is in higher side in comparison with the increase of remuneration of KMPs.

Justification: Not Applicable

(f) Remuneration paid to Directors and KMPs is as per the Remuneration Policy of the Company.

(g) Remuneration stated hereinabove for the purpose of comparisons etc. includes basic salary, house rent allowance & transport allowance as applicable.

(h) Particulars of Employees and related disclosures :

(i) None of the employees of the Company, who, if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, in excess of one crore two lakh rupees or if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, in excess of eight lacs fifty thousand rupees per month.

(ii) There is no employee of the Company who was in receipt of remuneration in the year which, in the aggregate, or as the

case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole-time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company

Human Resources:

Your Company treats its "Human Resources" as one of its most important assets. Your Company continuously invest in attraction, retention and development of talent on an ongoing basis. Your Company believes in the promotion of talent internally through job rotation and job enlargement.

Listing With Stock Exchanges

Your Company is presently listed with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The details of trading, listing fees etc. are given in the Corporate Governance Report.

Auditors And Auditors' Report

Statutory Auditors

M/s. S. R. Batliboi & Co LLP, Chartered Accountants, Statutory Auditors of the Company were appointed in the 34th Annual General Meeting held on 29th August 2014 for a period of five years from conclusion of 34th Annual General Meeting till the conclusion of 39th Annual General Meeting.

M/s. SN Khetan & Associates, Chartered Accountants, Kolkata having firm Reg. No. 325653E were appointed as the Joint Statutory Auditors of the Company by the shareholders vide their resolution dated 15th January, 2018 through Postal Ballot Voting for conducting statutory Audit for the financial year 2017-18 jointly with the existing auditors M/s. S. R. Batliboi & Co. LLP.

The Board of Directors, have on the recommendations of the Audit Committee and subject to the approval of the shareholders at the ensuing 38th AGM, approved the appointment of M/s. SN Khetan & Associates, Chartered Accountants, Kolkata having firm Reg. No. 325653E as Joint Statutory Auditors for a period of 5(five) consecutive years i.e. from the conclusion of the 38th Annual General Meeting till the conclusion of 43rd Annual General Meeting of your Company.

Your Company has received written consent(s) and certificate(s) of eligibility in accordance with Sections 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules issued thereunder (including any statutory modification(s) or re-enactment(s) for the time being in force), from M/s. SN Khetan & Associates. Further, they have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI) as required under the Listing Regulations.

Auditors' Report

- i. Qualified Opinion given in the Auditor's Report on financial statements read with note no 33 (C) & 33(D) and note no 32 (C) & 32 (D) forming part of the standalone and consolidated financial statements respectively, are self-explanatory and do not call for any further comments.
- ii. Emphasis of Matter given in the Auditor's Report on financial statements read with note no 33(E) & 33(F) and note no 32(E) & 32(F) forming part of the standalone and consolidated financial statements respectively, are self-explanatory and do not call for any further comments.

Cost Auditors

The Board of Directors of your Company, on the recommendation of the Audit Committee has approved the re-appointment of M/s. S.K. Sahu & Associates, Cost Accountants, (Membership No. 28234) as the Cost Auditor of your Company to conduct the audit of cost records for the financial year 2018-19. The remuneration proposed to be paid to the Cost Auditor, subject to your ratification at the ensuing 38th Annual General Meeting, would not exceed ₹60 Thousand (Rupees Sixty thousand only) excluding taxes and out of pocket expenses, if any.

Your Company has received consent from M/s. S.K. Sahu & Associates, Cost Accountants, to act as the Cost Auditor for conducting audit of the cost records for the financial year 2018-19 along with a certificate confirming their independence and arm's length relationship.

Secretarial Auditor

In terms of Section 204 of the Companies Act, 2013, the Board has appointed M/s. J. Patnaik & Associates, Company Secretary in Practice (Certificate of Practice No. 3102), as the Secretarial Auditor to conduct an audit of the secretarial records, for the financial year 2018-19.

The Company has received consent from M/s. J. Patnaik & Associates to act as the auditor for conducting audit of the Secretarial records for the financial year 2018-19.

The Secretarial Audit Report for the financial year ended 31st March, 2018 in Form MR-3 is annexed herewith and marked as Annexure-III to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

None of the Auditors of the Company have reported any fraud as specified under the second proviso of Section 143 (12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

Disclosures:

Audit Committee

The Audit Committee comprises namely of Mr. V. N. Purohit, Independent Director (Chairman), Dr. Mamta Binani, Independent Director, Mr. Kunal Kumthekar Nominee Director and Mr. K.P. Khandelwal, Independent Director. All the recommendations made by the Audit Committee were accepted by the Board.

Vigil Mechanism

The Vigil Mechanism of the Company also incorporates a whistle blower policy in terms of the Listing Regulations. Protected disclosures can be made by a whistle blower through an e-mail, or a letter to the Chairman of the Audit Committee. The Policy on vigil mechanism and whistle blower may be accessed on the Company's website at the link: http://www.gptinfra.in/investors/corporate_policies.php

Number of Meetings of the Board and Its Committees

The details of the meetings of the Board of Directors and its Committees, convened during the financial year 2017-18 are given in the Corporate Governance Report which forms a part of this report.

Particulars of Loans given, Investments made, Guarantees given and Securities provided

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone financial statement (Please refer to Note 4, 5 and 43 to the standalone financial statements).

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in Annexure –IV to this Report.

Extract of Annual Return

The details forming part of the extract of the Annual Return as on 31st March, 2018 in Form MGT - 9 in accordance with Section 92 (3) of the Companies Act, 2013 read with Companies (Management and Administration) Amendment Rules, 2015, are set out in the Annexure –V to this report.

Unpaid/Unclaimed Dividend

As on 31st March, 2018, the Company is having a sum of ₹1,864.25 (Previous Year ₹8,287.25) as unpaid/unclaimed dividend lying in its Unpaid Dividend Account with Banks. During the current financial year 2018-19 an amount of ₹562.50 which remained/ unclaimed and unpaid for a period of seven years, is due for transfer to Investor's

Education and Protection Fund this year.

Other Disclosures

1. During the year under review, the Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).
2. The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board and General Meetings.
3. The Company does not have any scheme or provision of money for the purchase of its own shares by employees/Directors or by trustees for the benefit of employees/ Directors.
4. The Company has not issued equity shares with differential rights as to dividend, voting or otherwise.
5. Neither the Managing Director nor the Whole-time Directors of the Company received any remuneration or commission from any of its subsidiaries.
6. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
7. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
8. There were no material changes & commitments affecting financial position of the Company occurring between the date of Financial Statements and the Board's Report.
9. There were no frauds reported by auditors under sub-section (12) of Section 143 other than those which are reportable to the Central Government.

Acknowledgement

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, employees and workers at all level.

For and on behalf of the Board of Directors

June 1st, 2018

Registered office:
GPT Centre, JC-25, Sector-III,
Salt Lake, Kolkata- 700 098, India

D. P. Tantia
Chairman

DIN: 00001341