GPT Infraprojects Limited

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GPTINFRA/CS/SE/2020-21 Date: 15th June, 2020

The Department of Corporate Services,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai – 400001

National Stock Exchange of India Ltd.,
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051

Ref.: BSE Scrip Code – 533761; NSE Symbol - GPTINFRA

Dear Sir/Madam,

Sub: Disclosure of material impact of CoVID–19 pandemic on Company's Business Operations under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations")

The Covid -19 pandemic and the consequent lockdown restrictions imposed by the Central and State Governments has impacted business in general. In view of the same it is important that all the information about the impact of these events on the Company and its operations are made available to various stakeholders.

Accordingly, pursuant to Regulation 30 of LODR Regulations read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020, the disclosure of material impact of CoVID-19 pandemic on the Company is enclosed as under.

Kindly take the aforesaid information on record and oblige.

Thanking You,

Yours faithfully,

For **GPT Infraprojects Limited**

ANATHA BANDHABA CHAKRABARTTY

Digitally signed by ANATHA BANDHABA CHAKRABARTTY
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Date: 2020.06.15 17:52:39 +05'30'

A B Chakrabartty
Company Secretary
M. No. FCS- 7184

GPT Infraprojects Limited

Update regarding impact of CoVID-19 pandemic on the business of GPT Infraprojects Ltd. (the Company):

1. **Impact of the CoVID-19 pandemic on the business:**

   The global CoVID-19 pandemic,whichhas impacted the Indian and World economy,has resulted in some disruption to the sectors that we operate in. Thenation-wide lockdown, which came into force on March 24, 2020,haltedmost of the construction activity in the countryand accordingly our Company's operations were impacted including the manufacturing operations and the factories of the Subsidiaries / Associate in South Africa and Namibia. However, since end of April 2020, when the lockdown conditions began relaxing, we have commenced the construction activities gradually at all our project locations wherever thelocal authorities have permitted resumption of the same with reduced manpower while ensuring that all safety measures as set out by the Government are being adhered to. Key concerns during the period and leading up to normal operations were the availability of labour and raw materials. The Company's unexecuted order book stands at ~Rs 1,500Cr including the recently bagged order in April 2020.

   The impact on our Revenue and Costs are outlined below:

   a. **Impact on Segment-wise Revenue**

   InfrastructureSegment-The sudden imposition of strict lockdown measures across the country impacted project execution at most of our sites. Thishalt in activities is likely tocause a marginal delay in the completion of the projects, despitegradual commencement ofconstruction activities from April 20,2020 whileadhering to safety measures. As of May 31, 2020, activity in most of our sites had recommenced with up to ~60% of our normal monthly run-rate.

   Sleeper Segment-Ourmanufacturing facilities in India remained shut during the first phase of the lockdown, i.e. till April 20, 2020, post which a phased re-opening of factories began, albeit at a lower utilisation due to the manpower restrictions imposed by the local authorities. We expect utilisation to pickup at all our Indian facilities in the next few months.Our manufacturing facilities in South Africa have also resumed operations in the 2nd week of May 2020 once the local authorities have allowed resumption of operations post relaxation of lockdown in the country. The manufacturing facility in Namibia is yet to resume operations as the province is still not allowing commencement of production and we expect the same to start by end of June 2020.

   b. **Cost-saving measures -** The Company has adoptedvarious cost-saving measuresby rationalising operating costs, personnel costs and overheads& administration costs.Most of the savings are strategicin nature and are expected to give long term benefits to the company.

2. **Ability to maintain operations including the factories/units/office spaces functioning and closed down:**

   Based on the relaxation announced by the Govt. of India on 20th April, 2020, wecommenced the construction activities at all those project sites wherever it was possible/ permissible by adhering to the Standard Operating Procedures (SOPs) issued by the Company and in compliance withthe rules and regulations framed by the relevant Authorities. A review mechanism is in place to monitor the execution of the works systematically.The labour for most of our sites are sourced from other states and we expect some disruptions in operations on account of their return to their native villages once the transport restrictions are eased. However, we don't anticipate a major impact as we are approaching monsoon season wherein construction activities become lean.

   While our Corporate Office is operating with reduced manpower since 5th May 2020, the ERP system (SAP) implemented by our Company enables our employees to operate remotely from their home and also from the project sites and manufacturing locations thus ensuring internal control of the management on the operations of the Company. The Company has taken appropriate steps including Work from Home policy to ensure safety and health of the Company's employees at Head office and other locations and has a secure system to access the servers to the authorized persons, including internal and statutory auditors.

3. **Estimation of the future impact of CoVID-19 on its operations:**

   It is challenging to assess the future impact of COVID-I9 on the operations of the Company with reasonable certainty due to the inherent nature of this pandemic. Ordering activity is expected to be subduedfor the sector in the near term, however even amidst the lockdown, the company bagged an order valued ~Rs.115 Cr in April, 2020, underscoring the ability to execute projects even in challenging times. The Company has a healthy current orderbook of ~Rs. 1,500 Cr, which providesstrong revenue visibility.

4. **Details of impact of CoVID-19 on listed entity's:**

   - **Profitability:**The execution for our projectshaltedin the second half of March 2020 which may have a minor impact on revenues and profitability in Q4FY20.Thefirst quarter of the FY 2020-2021 has seen subdued execution at project locations and operating levels at the manufacturing locations, which will also have an impact on the financials for Q1 FY 2020-21.However, it is difficult to assess the financial impact of CoVID-19 at this stage for FY 2020-2021.

   - **Capital and financial resources:**There is no impact on Capital and financial resources.

   - **Liquidity position:** The liquidity position of the Company is adequateand we do not foresee any major liquidity concerns in the near term.To further shore up liquidity the Company is actively engaged with its Working Capital bankers to avail Special liquidity scheme as announced by the Government of India to strengthen its liquidity position to tide over these challenging times. The company has also applied for release of proportionate Performance Guarantees from various clients in partly completed projects as allowed by the Ministry of Finance, which will result in a significant release

of its Non Funded Limits and thereby provide liquidity in terms of margin money for these Bank Guarantees.

- **Assets**: None of the assets of the Company have been impacted or impaired.

- **Ability to service debt and other financing arrangements**: The Company has regularly serviced its debt and interest obligations to the working capital bankers and does not foresee any issues in servicing debts, interest payments and other commitments in FY2020-2021.

- **Internal financial reporting and control**: The Company has robust internal control system in place that has been functional even during lockdown with the implementation of Firewall, VPN, SAP system and also regular video-conferencing facilities for the all the locations.

- **Supply chain**:In the wake of COVID-19, supply chains for movement of raw materialand finished goods were disruptedduring the complete lockdown period. However, we are witnessing gradual resumption of transportation services as lockdown restrictions are being eased.

5. **Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business:**

   There are no such contracts /agreements which would lead to non-fulfilment of the obligations by any party and hence there is no significant impact on our business. The clients in all the contracts have given time extension for upto 6 months with Price Escalation as allowed by the circular of Ministry of Finance due to the invocation of Force Majeure conditions.

6. **Audited Financials of Q4 FY 2020 and Outlook**

   The audited financials for Q4 FY 2020 and year ended March 31, 2020 will be presented to the Board and the Audit Committee in the 3rd week of June 2020 and the same will be shared post approval by the Audit Committee and the Board.

Conclusion:

It is difficult to predict the business impact due to the unprecedented environment caused by the CoVID-19 pandemic. However, the Company expects to achieve normalcy in its operations as the impact of this pandemic and the nation-wide lockdown eases.