

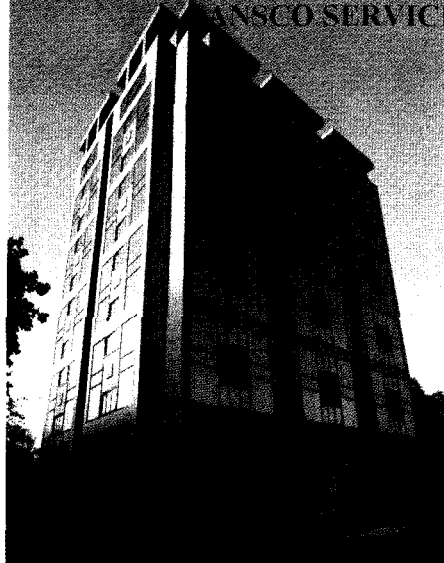
Annual Report 2002-2003



Your Partner in
Building a Successful Future



JMC Projects (India) Ltd.



Corporate Information

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BOARD OF DIRECTORS

Ishver Modi
Chairman

Hemant Modi
CEO & Managing Director

Suhas Joshi
Joint Managing Director

Arun Gandhi
Director

Narsinhbhai Patel
Director

Nilesh Mehta
Director

COMPANY SECRETARY

Samir Shah
Vice President
(Finance & Corp. Planning)
and Company Secretary

BANKERS

Oriental Bank of Commerce
The Karur Vysya Bank Limited
State Bank of India
ICICI Bank Limited

AUDITORS

Sudhir N. Doshi & Co.
Chartered Accountants

REGISTERED & CORPORATE OFFICE

Level-11, JMC House, Ambawadi
Ahmedabad 380 006, India
Phone : 079 - 644 3644, 642 6304
Fax : 079 - 646 0401, 640 9447

AUDIT COMMITTEE

Narsinhbhai Patel
Chairman

Ishver Modi
Member

Nilesh Mehta
Member

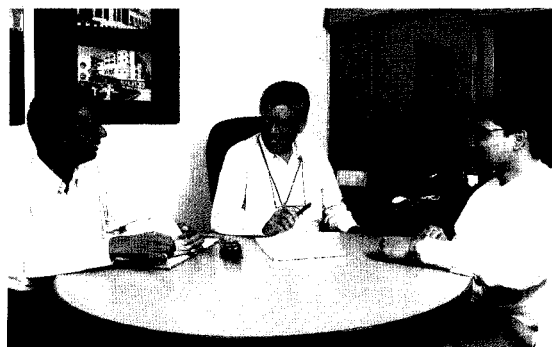
SHAREHOLDERS' GRIEVANCE COMMITTEE

Narsinhbhai Patel
Chairman

Suhas Joshi
Member

REGISTRAR & TRANSFER AGENT

Pinnacle Shares Registry Pvt. Ltd.
Near Asoka Mills, Naroda Road
Ahmedabad 380 025
Phone : 079 - 220 0338 / 220 0582
Fax : 079 - 220 5963



To The Shareholders



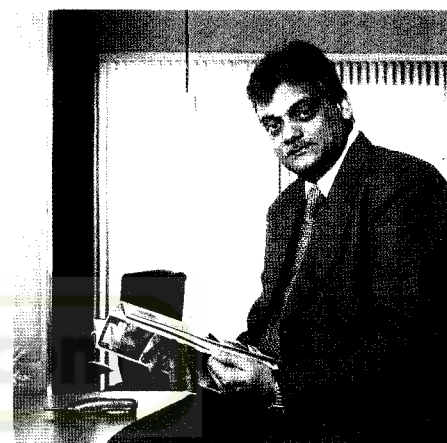
About the Economy

The year 2002-2003 was marked with a slowdown in economic activities. Overall growth of the economy has reduced from 5.6% in the year 2001-2002 to 4.3% in 2002-2003. The major setback was observed in the agriculture sector, which was partially compensated by improvement in the manufacturing sector. The year 2002-2003 witnessed sluggishness in the demand for capital investment, resulting in lowered growth in industrial and institutional projects.

About the Company

Company's performance has to be reviewed with reference to the overall reduced economic activities and, more specifically, subdued capital investment growth. Company has to take cognizance of the prevalent economic environment and re-strategize to adapt to the changing environment to be viable as a business entity. The year 2002-2003 has been the year of consolidation for the Company. After observing a continuous growth, it was a time for the Company to relook at its strategy of top line growth. Company has made efforts to concentrate on large-size projects and reduce the number of projects. As a result of this conscious business strategy, the turnover of the company has reduced from Rs. 244 crores to Rs. 210 crores. Company has concentrated its focus on improving its operational efficiency. Even though, there has been a steep rise in the price of steel, cement and other raw materials, Company has achieved better operating margins. The gross profit margin has improved from 7.28% in the year 2001-2002 to 8.18% in 2002-2003.

The improvement in employee productivity has been another focus area. Company has initiated steps for right sizing by adapting multiskilling, delegation and restructuring the organizational structure. The company is consciously and continuously making all efforts for cost-optimization. However, the full potential of the corrective measures is yet not reflected in the current year's performance.



Looking Ahead

The Government has given a special impetus including various tax concessions for infrastructure and housing projects. This would provide substantial growth potential for the industry.

Presently, the overall economic outlook is positive as the Industrial / Manufacturing as well as Service sectors are showing indications of recovery and growth. As a result, the Construction Industry would be the beneficiary of this expected growth.

The current year 2003-2004 has already seen a surge in the international demand for steel, resulting in an exponential hike in steel prices. The mounting competition would have a bearing on the pricing.

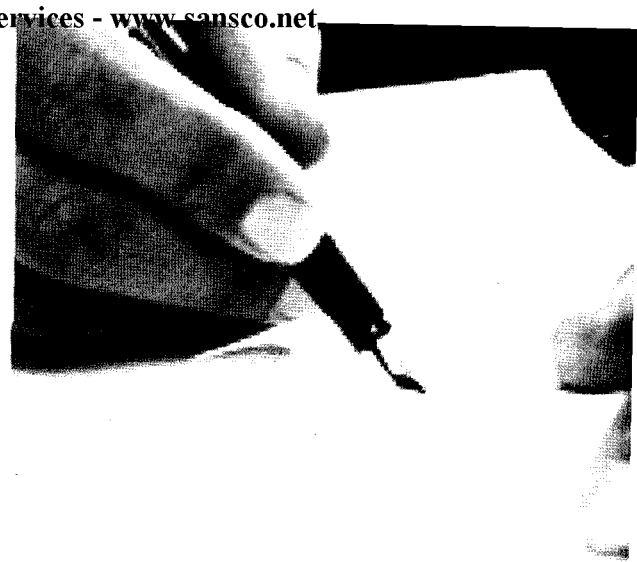
With the expected growth rate of around 8% for the year 2003-2004, as envisaged by the Government, the manufacturing sector has to play a major role and thereby create new avenues for the Construction Industry. I see a lot of challenges and opportunities ahead of us.

During the current year till date, the Company has bagged new projects worth Rs. 185 crores. Amongst the new projects, the company has bagged the prestigious infrastructure project for construction of the Godhra-Shamlaji road, construction of a 500-bedded hospital at Tanda in Himachal Pradesh and construction of 6 stations for DMRC (Delhi Metro Rail Corporation). The client list includes prestigious clients like Digital, Texas Instruments, K. Raheja, and the Mantri Group.

The profit margins are likely to remain under pressure during the next year. However, our continued efforts for improvement in all aspects of project management aimed at enhanced productivity, will help in enhancing shareholders' value.

Hemant Modi

CEO & Managing Director



Report of the Board of Directors

Your Directors hereby present the Seventeenth Annual Report together with the Audited accounts for the year ended 31st March 2003.

(Rs. in lacs)

Financial Results	2002-2003	2001-2002
Turnover	21082.42	24473.46
Operating Profit	1725.03	1782.14
Finance Charges	1091.05	1095.01
Depreciation	305.05	293.37
Profit Before Tax	328.93	393.76
Provision for Current Tax	36.00	30.11
Profit After Current Tax	292.93	363.65
Provision for Deferred Tax	71.46	24.69
Taxation (Previous Year)	16.97	0.00
Profit After Tax	204.50	338.96
Appropriations :		
Proposed Dividend	23.23	55.76
Tax on Dividend	2.98	0.00
General Reserve	20.45	283.20
Balance carried to Balance Sheet	157.84	0.00

Results of Operation

During the year under review, the turnover of the Company declined by 13.86% as compared to the previous year. The operating profit margin on turnover has marginally improved from 7.28% to 8.18%. The profit after current tax provision (but before deferred tax provision) as a percentage of turnover remained at 1.39% as compared to 1.49% for the previous year.

A detailed analysis of the Company's performance is contained in the Management Discussion and Analysis, which forms part of this report.



JMC Projects (India) Ltd. Annual Report 2002-2003

Dividend

Your Directors have recommended a dividend @5% on 46,46,550 Equity Shares of Rs. 10/- each, subject to approval by the members at the ensuing Annual General Meeting.

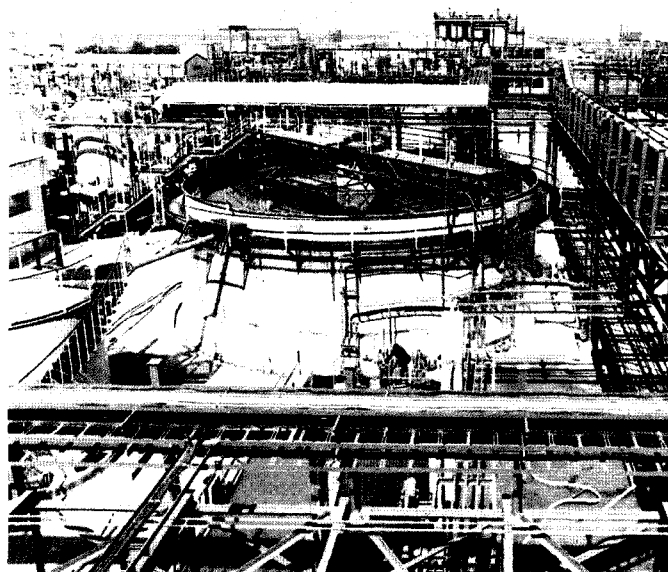
ISO 9002

In continuing efforts at sustaining quality and safety at work sites, the Company has been re-certified of ISO 9002:1994 certificate from TUV Suddeutschland-Germany for its Quality Assurance System at all its offices and construction sites. The Company has upgraded its systems as per the requirements of the next version of ISO 9001:2000 Quality Management Systems, the certification audit for the same is due in the month of July 2003.

New Contracts

During the year under review, the Company has received new contracts / add-on value orders worth Rs. 240 crores. Amongst the new contracts booked are:

- Construction of INDUS school for the **INDUS Trust** at Bangalore.
- Repairs / Replacement of Storm Water Drain Pipe Lines damaged due to the earthquake in Ahmedabad, for the **Ahmedabad Municipal Corporation**.
- Turnkey Construction of the Residential and Commercial Complex (Platinum Park / Plaza) for the **M. P. Housing Board** at Bhopal.
- Construction of a Pharmaceutical Plant for **J. B. Chemical & Pharma Ltd.** at Daman.
- Turnkey Construction of a Township for the **Nuclear Power Corporation of India** in Tarapur, Maharashtra.
- Construction of a Multiplex for **Pranik Landmark & Associates** at Mumbai.



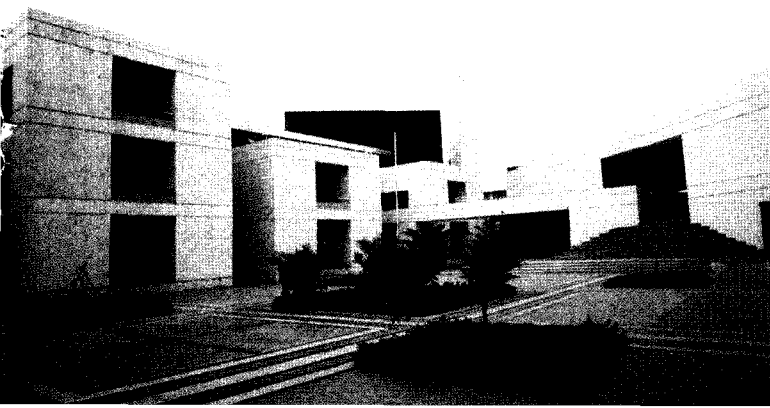
Chemical Plant for Search Chem Industries Ltd. near Bharuch

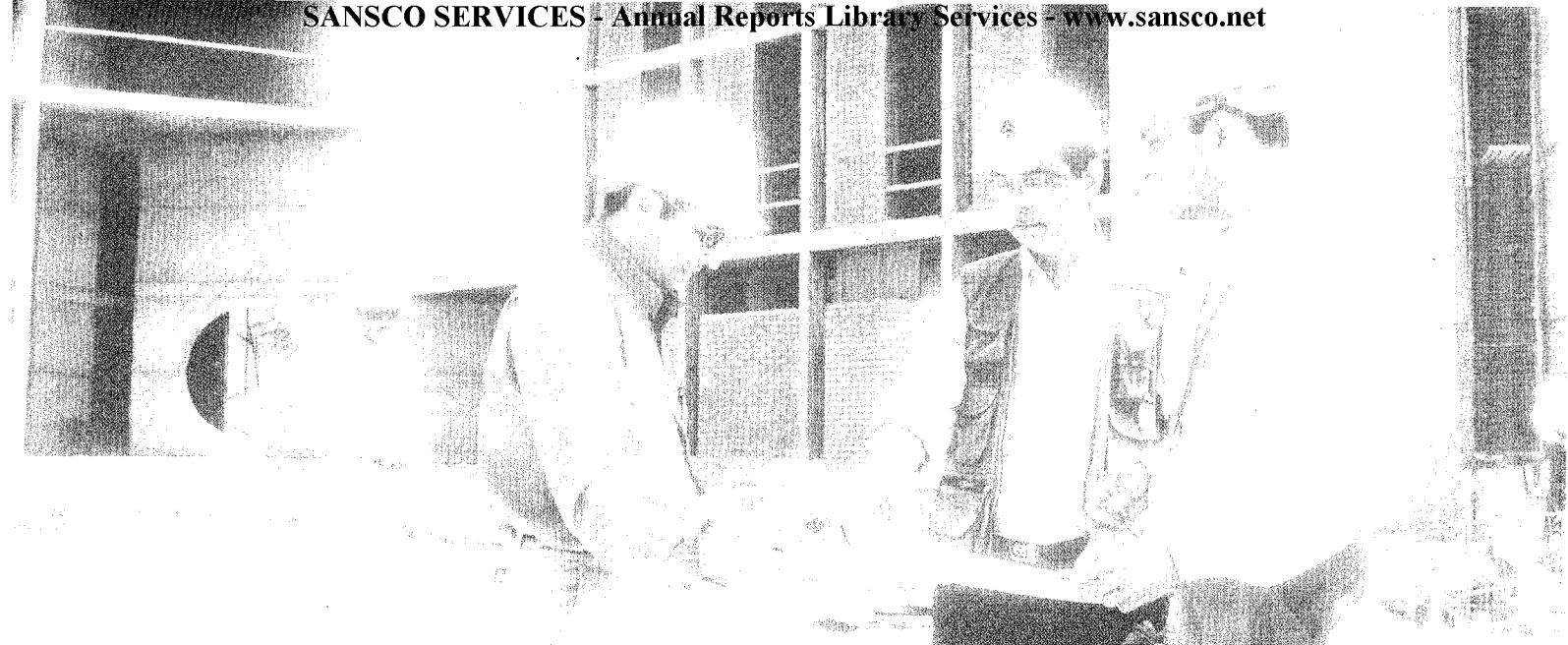
- Civil Construction work for **Digital Global Soft Ltd.** at Bangalore.
- Design & Construction of the Railway Over-Bridge for **Indore Municipal Corporation** at Indore.
- Bitumen Works at the **Kancheepuram-Walajapet Section of NH-4** in Tamilnadu.
- Civil and Structural works for the Proposed Integrated paint plant for **Asian Paints (India) Ltd.** at Pondicherry.

As on 31st March 2003, orders on hand stand at Rs. 163.82 crores.

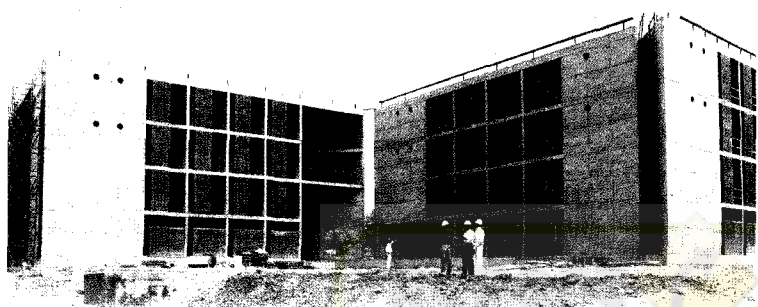
New Orders received after 31st March 2003

- Civil and associate work for the 400 / 220 KV Substation for **Asea Brown Boveri Ltd.** at Visakhapatnam.
- Construction work of the 500-bedded Hospital Complex for Dr. Rajendra Prasad Medical College for **HSCC (India) Limited** at Tanda, Himachal Pradesh.
- Civil works for the Commercial Building for **K. Raheja Pvt. Ltd.** at Pune.
- Civil works for the Commercial Building for **Ivory Properties & Hotels Pvt. Ltd.** at Mumbai.
- Civil, Structural and Finishing work at Bagmane Tech Park for **Texas Instruments** at Bangalore.





Campus for Indian Institute of Management at Ahmedabad



Directors

Mr. Ajay Mehta, Non-executive and Independent Director, has resigned as a Director of the Company effective from 31st January 2003. Your Directors record their deep appreciation of the valuable contributions made by him during his tenure.

Mr. Ishver Modi is liable to retire by rotation at the ensuing Annual General Meeting and is eligible for reappointment. The details of all the directors have been provided elsewhere in the Annual Report under the Corporate Governance Report.

Future Prospects

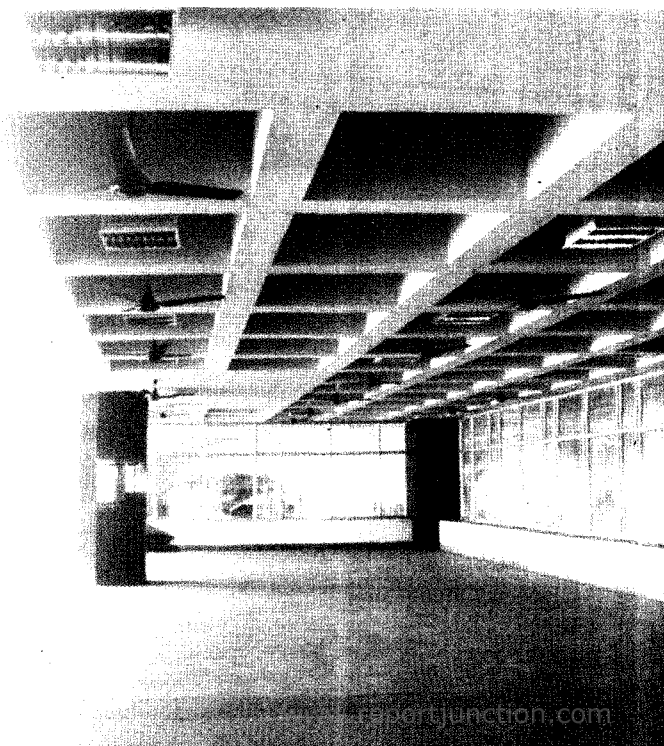
The infrastructure sector especially construction of the national/state highway, bridges and urban development is poised for substantial growth in the coming years. Having established its strong presence by executing Infrastructure projects comprising highways and flyover, JMC is expected to successfully tap the new opportunities for better growth in turnover and its market share.

Finance

The working capital requirements and capital expenditure were funded by consortium banks and through internal accruals.

Fixed Deposits

During the year, the Company has accepted deposits from Shareholders and the Public within the prescribed limits. As on 31st March 2003, total deposits stood at Rs. 688.50 lacs, out of which a sum of Rs. 5.34 lacs relating to 35 depositors remained unclaimed. There were no deposits, which were claimed and remained unpaid by the Company as on 31st March 2003.





Directors' Responsibility Statement

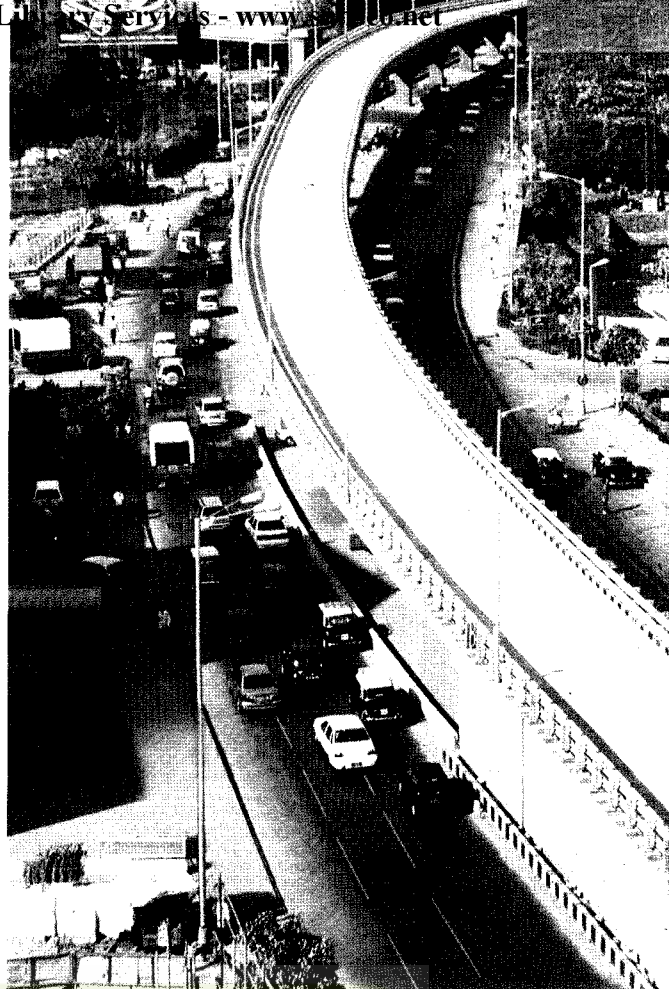
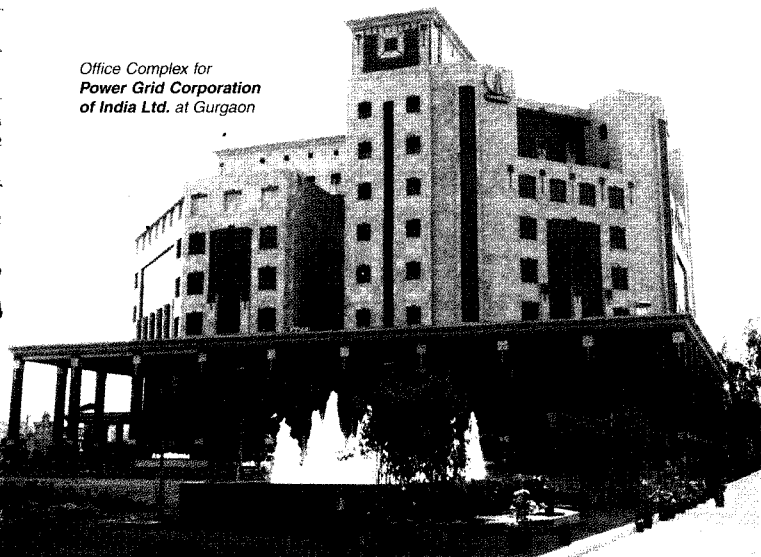
Pursuant to the requirements of section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- a. that in preparation of annual accounts for the financial year ended 31st March 2003, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b. that the Directors have 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 at the end of the financial year and of the profit or loss of the Company for that period;
- c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the Directors have prepared the annual accounts for the financial year ended 31st March 2003 on a going concern basis.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report as required under clause 49 of the Listing Agreement with the Stock Exchanges has been attached as a part of the Directors' Report. -

Office Complex for
Power Grid Corporation
of India Ltd. at Gurgaon



Worli Fly-over for Maharashtra State Road Development Corporation Ltd. at Mumbai

Corporate Governance

The Company has adopted Corporate Governance practices and has complied with all the mandatory requirements as specified under clause 49 of the Listing Agreement by SEBI. As required under the listing agreement, a separate Report on Corporate Governance forms part of this Annual Report. The certificate from Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance forms part of this report and is annexed.

The Board of Directors supports the basic principles of Corporate Governance. In addition to this, the Board lays strong emphasis on transparency, accountability and integrity.

Formation of various Committees

Details of various committees constituted by the Board of Directors are given in the Corporate Governance Report annexed to and forms part of this report.



Construction of Ahmedabad-Mehsana State Highway-41

Institute of Medical Science for Malabar Institute of Medical Sciences Ltd. at Calicut



We are in the process of designing and developing a competency model, which will help our employees to grow, improve their skills and knowledge. JMC is committed to finding the best talent to lead our business in this competitive environment. We work towards providing the Right Person for the Right Job and try to find the right candidate by effectively mobilizing minimal resources.

Statutory Disclosure

The information required under section 217(2A) of the Companies Act, 1956, and the rules made thereunder, are not applicable to the Company, as no employee is drawing remuneration beyond the limits prescribed under this section.

Consolidated Accounts

Audited Consolidated Financial Statements for the year ended 31st March 2003, as required under clause 32 of the Listing Agreement, form part of the Annual Report.

HR Initiatives

JMC believes that employees are the most valuable assets. We provide an environment where working and learning is consistent and respectful.

For global competition, meeting different skill requirements and the uncompromising demand for quality by the customers, we equip our employees to be effective, efficient and responsible by providing quality education and the opportunity to develop and improve their skills.

Our training is largely need-based with experienced mentors to guide the employees, working towards increasing the productivity of its knowledge workers and placing them in the forefront of technology advancements.



Udayas Hotel for General Group at Udaipur



JMC Projects (India) Ltd.

Annual Report 2002-2003

The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

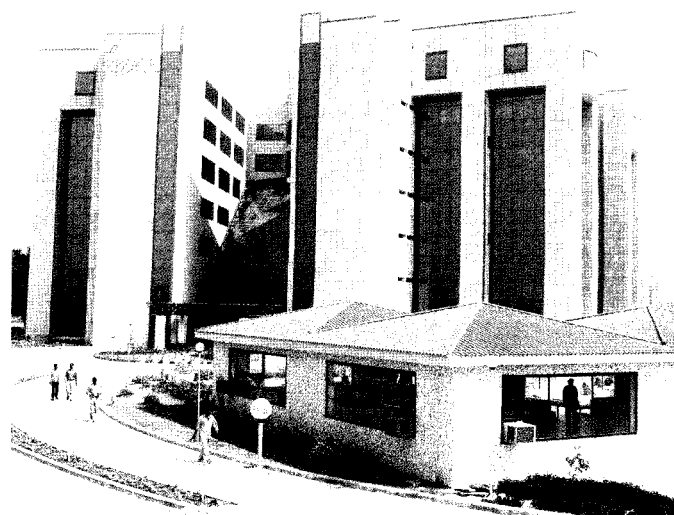
- Part A & B pertaining to conservation of energy and technology absorption are not applicable to the Company. The Company has, however, used information technology extensively in its operations.
- During the year, the Company has not earned any foreign exchange, while the outgo of foreign exchange is of Rs. 3.66 lacs (PY Rs. 1.50 lacs) towards traveling expenses, Rs. Nil (PY Rs. 0.30 lac) for subscription charges and Rs. Nil (PY Rs. 71.71 lacs) for capital goods.

Subsidiary Company

JMC Mining and Quarries Ltd., a wholly owned Subsidiary Company engaged in production of Rubble and Aggregates, has achieved a Turnover of Rs. 272.49 lacs for the year ended on 31st March 2003, compared to the previous year's Turnover of Rs. 216.74 lacs. The Directors' Report and statements of accounts along with Auditors' Report for the year ended on 31st March 2003, forms part of this report and are attached.



Campus for Indian Institute of Management Kozhikode in Kerala



Corporate Office Complex for RITES Ltd. at Gurgaon near Delhi

Auditors & Auditors' Report

M/s. Sudhir N. Doshi & Co; Chartered Accountants, retire at the forthcoming Annual General Meeting and have confirmed their eligibility and willingness to accept the office, if re-appointed. Notes forming part of the accounts are self explanatory and therefore, do not require any further comments.

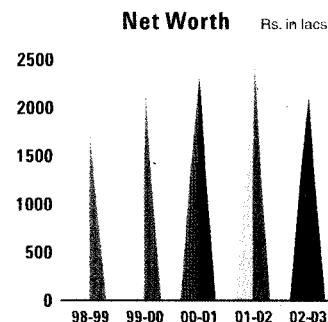
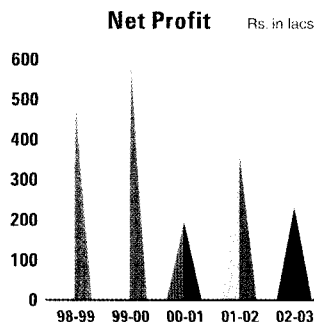
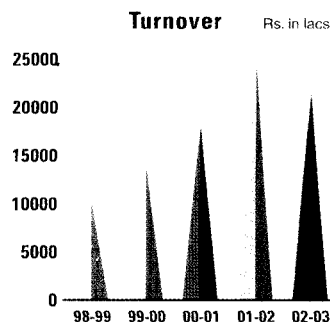
Acknowledgements

Your Directors take this opportunity to thank all employees for rendering impeccable service to every constituent of the Company's customers and shareholders. The Directors also appreciate the support received from clients, suppliers, financial institutions & bankers and last but not least, the shareholders.

For and on behalf of the Board of Directors

Mumbai
June 25, 2003

Hemant Modi
CEO & Managing Director

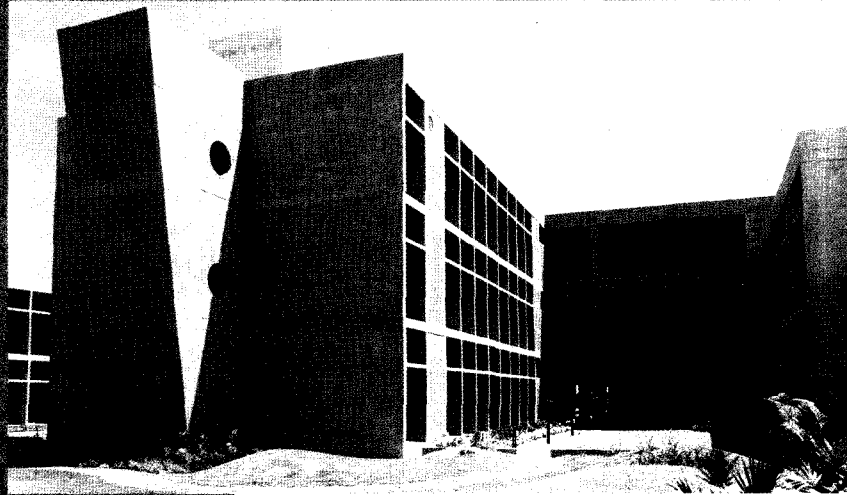




Our Business Segments

INDUSTRIAL & POWER

- Agrochemicals
- Automobiles
- Cement & Steel
- Chemicals & Petrochemicals
- Captive Power Plants
- Electronics
- Heavy Engineering
- Pharmaceuticals
- Sugar
- Textiles
- Power Plants



BUILDINGS

- Commercial Complexes
- Hotels & Hostels
- Hospitals & Health Centres
- High-rise Buildings
- Institutional Buildings
- Information Technology Parks
- Multiplexes & Shopping Malls
- Research & Development Centres

HOUSING

- Residential Campus
- Townships



INFRASTRUCTURE

- Airports
- Bridges & Flyovers
- Bus Terminus
- Drainage Works
- Effluent Treatment Plants
- Highways & Expressways
- Underpasses
- Water Supply Works
- Marine Works

