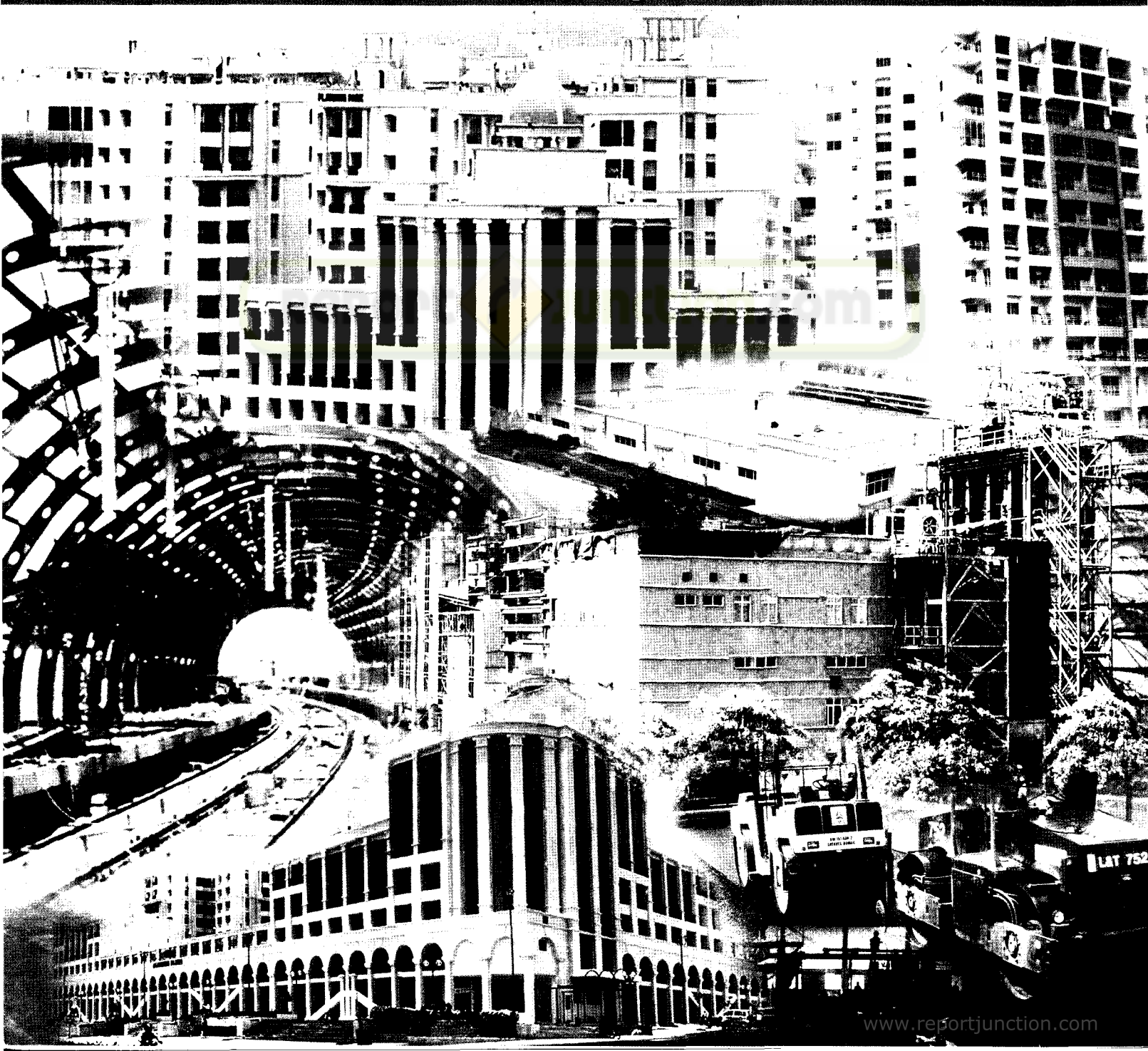




JMC Projects (India) Ltd.

Annual Report 2004 - 2005

Your Partner in Building a Successful Future





JMC Projects (India) Ltd.

Annual Report 2004 - 2005

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JMC Mining & Quarries Ltd.

[100 % Subsidiary of JMC Projects (India) Ltd.]

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Corporate Information

Board of Directors

Vijay Choraria
Chairman

Hemant Modi
Vice Chairman

Suhas Joshi
Managing Director -
Buildings & Factories

M. D. Khattar
Managing Director -
Infrastructure Business

Ajay Munot
Director

Kamal Jain
Director

Narsinhbhai Patel
Director

Deval Shah
Director

Bankers

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

Auditors

Sudhir N. Doshi & Co.
Chartered Accountants

Registered & Corporate Office

A-104, Shapath-4,
Opp. Karnavati Club, S.G. Road,
Ahmedabad-380 051, INDIA.
Ph. : 079-3001 1500
Fax : 079-3001 1600 / 3001 1700

Audit Committee

Narsinhbhai Patel
Chairman

Deval Shah
Member

Ajay Munot
Member

Vijay Choraria
Member

Shareholders' Grievance Committee

Kamal Jain
Member

Remuneration Committee

Narsinhbhai Patel
Chairman

Suhas Joshi
Member

Kamal Jain
Member

Registrar & Transfer Agent

M/s. Pinnacle Shares Registry Pvt. Ltd.
Near Asoka Mills, Naroda Road,
Ahmedabad - 380 025. INDIA.
Ph. : 079-2220 0338 / 2220 0582
Fax : 079-2220 5963



To the Shareholders,***The Economy***

The Indian economy remained upbeat during last three years and the early trend of the current financial year suggests that it is likely to grow at an average growth rate of 8%. The increase in demand for goods and services, low interest costs, committed capital investments by private sector in industrial and service sectors and heavy thrust by government on infrastructure development will provide further boost to the economic growth over the next few years.

Construction Industry

The fortunes of the Construction Industry have undergone a sea change in the past 18 months. The Infrastructure Sector has emerged as India's single biggest change-driver over the last few years. Infrastructure development in India has been picking up on the back of the government's concentrated efforts to promote reforms in the sector. Airports, roads, ports, railways and power are beginning to modernize faster than before. At present India's Construction Industry employs a workforce of nearly 32 million and its market size is worth about Rs. 2500 billion. The Construction Industry will play major role in taking India on the global map in coming days.

The exponential growth opportunities in this sector has also brought about fierce and stiff competition causing margins under pressure. On the other hand, due to continuous upgradation of technology and construction practices, the expectations of the clients are increasing in terms of quality and timely execution. The recent changes in tax structure encompassing Service tax and Value Added Tax (VAT) have added further complexities for the industry.

The Company

The last one and a half year has been a period of significant developments for your Company. I believe that great organizations are ones that can successfully weather challenging business environment, internal change and create enduring value for their stakeholders. In past few years, your company has dealt with difficult times however; it has not compromised on core values and commitments towards customer satisfaction. Due to unavoidable circumstances, including unprecedented price volatility of critical inputs (especially steel, cement and other building materials), extraordinary write offs and unfavorable contractual stipulations, the bottom-line of the company was affected.

In spite of financial constraints, the Company did succeed in getting major projects from reputed clients signifying the utmost trust and confidence in your company's capabilities in meeting with client's expectations and delivering the results. The company has been successful in timely execution and completion of the projects to a great extent.

To sustain and create profitable growth in the long run as well as to improve risk taking capability and enhance scale of operations, some radical changes in the areas of management philosophy, business model and financial management had become inevitable for the Company. This paradigm shift was made possible through strategic alliance with Kalpataru Power Transmission Ltd (KPTL), a Rs 5.65 Billion public company and one of the leading players in the field of EPC contracting in the Power and Infrastructure sector. KPTL is a member of the well diversified Kalpataru Group with strong interests in Real estate/Property development. KPTL has acquired a controlling stake (48.6%) in our company. Given the multitude of opportunities in the infrastructure and civil construction sectors in the coming decades, let me assure you that, this alliance will play a major role in taking our Company to new heights through a synergy of competent management team possessing blend of sound technical and financial skills.

In order to improve and strengthen financial position, your Company came out with a Right issue during the month of August 2005 and got excellent response from all the existing share holders. We would like to thank all the shareholders for reposing faith and trust in the Company, which raised Rs. 313 Million through this Right Issue. This will provide a boost to the Company's growth plans for scaling to a much higher level of operations.

Looking Ahead

As always, the greatest strength of JMC lies in its people and their spirit in overcoming challenges. The improvement in operational efficiency and productivity being important areas of our internal focus, we aim at inviting and retaining best available talent and adopt sound HR practices to ensure that JMC emerges as a stronger company than ever before. We believe that these initiatives will help the Company register a sharp, qualitative and healthy growth over the foreseeable future.

In the month of September 2005, we have got much awaited and crucial breakthrough in the infrastructure business. The joint venture Agrawal - JMC JV has secured two cash contract packages worth Rs. 419 crore awarded by National Highway Authority of India (NHAI) for construction of 125 kms of four lane Highways from Trichy to Madurai in the State of Tamilnadu. This will certainly provide us a major growth platform and economy of scale in near future.

To tap opportunities in Construction Industry, we are gearing up for a healthy future growth by taking several initiatives of strengthening the organization and areas of contract management as a whole. The company has ambitious plans to diversify its activities into other areas of Infrastructure and will look forward to the continued support of all its stake holders on its journey to profitable growth and success.

Before I conclude, I would also like to acknowledge and thank for continued support from our Bankers, Vendors, Business associates and Stake holders who have always supported and remained as a backbone of the Company.

Hemant Modi
Vice Chairman



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Mantri Elegance for Abhishek Developers,
at BangaloreK Raheja IT Park
at Hyderabad

Report of the Board of Directors

Your Directors hereby present the 19th Annual Report on the business and operations together with the Audited accounts for eighteen-month period ended September 30, 2005 consequent upon change in financial year 2004-05 upto that date.

The performance of the Company for the financial period of 18 months ended September 30, 2005 is summarized below.

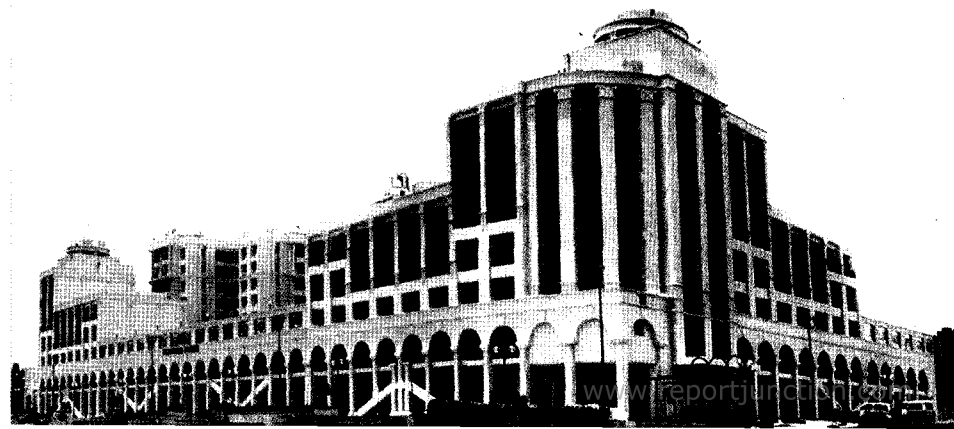
	(Rs. crore)	
	<i>For the period ended 30th September 2005 (18 months)</i>	<i>For the year ended 31st March 2004 (12 months)</i>
Financial Results		
Turnover	350.24	183.70
Other Income (excl. extra-ordinary items)	2.87	2.03
Total Income (excl. extra-ordinary items)	353.11	185.73
Operating profit before extra-ordinary items	12.05	7.57
Interest & Financial charges	16.89	10.75
Depreciation	5.32	3.16
Profit / (Loss) before tax and extra-ordinary items	(10.16)	(6.34)
Extra-ordinary items of Expense / Income		
Less : Expenses	9.67	0.00
Add : Other Income	2.09	0.00
Profit / (Loss) before tax	(17.74)	(6.34)
Deferred tax provision	(6.27)	(2.30)
Fringe Benefit Tax	0.11	0.00
Net Profit / (Loss) after Tax	(11.57)	(4.04)

Results of Operation

Due to reasonably good order backlog at the beginning of the year and fresh orders booked during the period, the turnover of the Company has increased by 27.45% over its previous year on annualized basis. Operating margin (before considering extraordinary item of expense and income) as a % of Turnover has declined from 4.12% in FY 2003-04 to 3.44% for the period of April 2004-September 2005, mainly due to impact of significant price increase in raw materials in case of few fixed price contracts, unabsorbed fixed overheads on account of delays in major projects, adverse implications of service tax and value added tax in respect of ongoing projects etc.

Interest and finance charges as a % Turnover have improved from 5.85% in FY 2003-04 to 4.82% during April 2004-September 2005 due to reduction in rates of interest and financial charges, conversion of working capital loans into FCNRR loan and repayment

Platinum Plaza for MP Housing Board, Bhopal



of term loans. In order to meet higher scale of operations, the Company had to make substantial investments in plant and machinery during the period resulting into higher depreciation as compared to the previous financial year.

The extraordinary item of expense represents one time write-off of bad debts amounting to Rs. 9.67 crore whereas extraordinary item of other income represents profit on sale of machinery amounting to Rs. 2.09 crore.

Change in Management Control

In October 2004, a Memorandum of Understanding (MOU) was entered into between promoters, Mr. I.K. Modi, Mr. Hemant Modi, Mr. Suhas Joshi and their relatives and Minar Investments and Finance Pvt. Ltd. ("Sellers") and Kalpataru Power Transmission Limited (KPTL) and Kalpataru Energy Venture Pvt. Ltd. (KEVPL) ("Purchaser") for purchase of Equity Shares of JMC.

Subsequent to said MOU, a Share Purchase Agreement was entered into between the aforesaid parties and accordingly, the promoters had sold 39.60% of their voting shares to KPTL.

After acquisition of shares through open offer as well as Share Purchase Agreement and subscription to the Rights Issue, the equity stake of KPTL stands at 48.60% of the total voting shares.

By virtue of the above transaction, the new promoters of JMC are KPTL, Mr. Hemant Modi and Mr. Suhas Joshi. The affairs of the Company are now managed by KPTL jointly with Mr. Hemant Modi and Mr. Suhas Joshi under the instruction and supervision of the Board.

Dividend

In view of loss incurred for the period under review, your Directors regret to inform you that no dividend is recommend for the year 2004-05.

Increase in Share Capital

During the period under review, the Company has raised an aggregate amount of Rs. 31.36 crore through Rights Issue of 69,69,825 equity shares of Rs. 10/- each for cash at a premium of Rs. 35/- per share along with 46,46,493 detachable warrants.

By issue of these fresh shares, the outstanding, issued, subscribed and paid up share capital increased from Rs. 4.64 crore as on March 31, 2004 to Rs. 11.61 crore as of September 30, 2005.

New Contracts

During the period under review, the Company has received new contracts / add on value orders worth Rs. 715 crore including 2 projects worth Rs. 419 crore for four laning of **National Highways 45 B, Trichy -Madurai Section** awarded in the name of Joint Venture.

Amongst the new contracts booked are:

- Civil & structural work of Textile Plant and Spiral Pipe Plant for **Welspun Gujarat Stahl Rohren Ltd.** at Anjar, Gujarat
- Civil & structural work of 'Surya Park IV Surya Wave' for **RGA Software Systems Pvt. Ltd.** at Electronic City, Bangalore

IT Park for SJR Builders at Bangalore

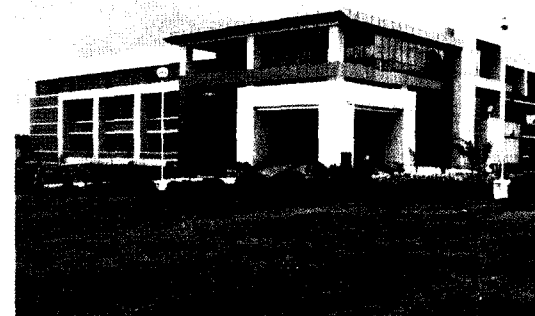


JMC Projects (India) Ltd.

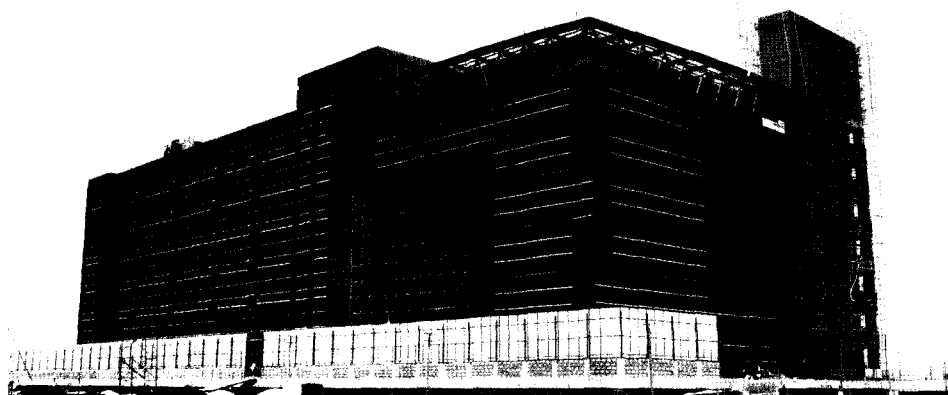
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Hospital Complex for Dr. Rajendra Prasad Medical College at Tanda, Himachal Pradesh



Software Park "Stargate" for Chaitanya Properties Pvt. Ltd. at Whitefield, Bangalore





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Textile Plant for Welspun Gujarat
at AnjarMantri Residency for Abhishek Developers
at Bangalore

- Construction of Software Global Development Center for **Syntel International Pvt. Ltd.** at Pune
- Civil & structural work of cold rolling galvanizing project for **Indian Steel Corporation Ltd.** at Anjar, Gujarat
- Extension Civil work for **Indian Institute of Management** at Ahmedabad.
- Construction for "**SJR 'I' Park Project**", at Whitefield, Bangalore
- Construction of Corporate Office for **Prestige Estates Projects P Ltd.** at Bangalore
- Civil & structural work for Glass Shell Project for **M/s. Videocon International Ltd.** at Bharuch
- Construction of commercial building "Salapuriya Hallmark" for **M/s. Salarpuria Properties** at Bangalore
- Construction of Software Development Center for **Wipro Ltd.** at Hyderabad
- Construction of commercial buildings for C. Raheja Group at Mumbai
- Design & Construction of Utilities buildings, Bumper Paint Shop & other allied buildings for **Maruti Udyog Ltd.** at Gurgaon
- Construction of commercial building 'Vaswani Pinnacle' at Whitefield, at Bangalore
- Construction of **Vardhman Medical College and Library Building** (Package - I) at Safdarjung Hospital Complex, at New Delhi
- Designing & construction of **flyover at Greenlands Junction for Municipal Corporation of Hyderabad**, at Hyderabad

As on 30th September 2005, the aggregate value of orders on hand stands at Rs. 640 crore including orders for two road projects worth Rs. 419 crore secured in the name of JV.

New Orders received after 30th September 2005

- Construction of software park for HM Construction at whitefield, Bangalore
- Construction of 'Jayanth Tech Park' at Nandambakkam, Chennai
- Construction work of Cessna Business park for Cessna Garden Developers Pvt. Ltd., Bangalore

Future Prospects

Looking to the value and composition of orders in hand, the Company is expected to improve its level of operation as well as financial performance in the coming year. The Company has got major break through in Infrastructure Sector which will enable it to achieve economy of scale and optimum utilization of available resources. The Company is identifying and focusing few more areas of Infrastructure Business which have tremendous potential for growth.

Finance

The Capital expenditure incurred during the period was funded through hire purchase arrangements as well as from the proceeds of the Rights Issue. In the month of August 2005, the Company has infused Rs. 31.36 crore by way of Rights Issue to meet requirements of capital expenditure, working capital margin and for repayment of high cost debt. As on September 30, 2005, the Company has not utilized entire amount of the Rights Issue proceeds. The Company has not availed any fresh term loans for capital expenditure made after opening of Rights Issue.

"Station building for Delhi Metro Rail Corporation, Delhi"



In order to cope up with growing needs of the business, the Company is also proposing to raise further funds through Rights Issue within next 3 to 4 months. The enhanced level of capital will enable the Company to improve the scale of operations and thereby operational efficiency.

Fixed Deposit

During the period under review, the Company has accepted deposits from Shareholders and others within the prescribed limits. As on September 30, 2005 deposits from Public and Shareholders stands at Rs. 5.16 crore (including unsecured loans from relatives of directors), out of which a sum of Rs. 0.09 crore relating to 59 depositors remained unclaimed. The Company had sent reminders to all the 59 depositors for their unclaimed deposits and some of the deposits were claimed and paid subsequently. There were no deposits, which were claimed and remained unpaid by the Company as on September 30, 2005.

ISO 9001 : 2000

Striving to maintain its commitment to customer's expectations for quality and safety at work sites, the Company has upgraded its Quality Management Systems to the international standards as per ISO 9001:2000.

Directors

Mr. I. K. Modi has resigned as Chairman and director of the Company during the year due to old age and health grounds. The Board of Directors records its appreciation for contribution made by him during his tenure.

In accordance with the provision of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Deval Shah is liable to retire by rotation at the ensuing annual general meeting and being eligible, offered himself for re-appointment.

Mr. Vijay Choraria, Chartered Accountant and Bachelor of General Law has been appointed as additional director w.e.f. February 5, 2005. He has been elected as the Chairman of the Company. His status in the Company is Non-Executive Independent Director.

Mr. Ajay Munot, Chartered Accountant and a Law Graduate has been appointed as additional director w.e.f. February 5, 2005 pursuant to Share Purchase Agreement dated October 14, 2004. His status in the Company is Non-Executive Director.

Mr. Kamal Jain, Chartered Accountant has been appointed as additional director w.e.f. February 5, 2005 pursuant to Share Purchase Agreement dated October 14, 2004. His status in the Company is Non-Executive Director.

Mr. M. D. Khattar, Civil Engineer and Management graduate from AIMA, Delhi has been appointed as additional director by the Board of Directors on November 7, 2005. He is being inducted in the Company as Managing Director - Infrastructure Business. Mr. Khattar possesses rich and vast experience of more than 40 years in the Construction Industry which will help the Company in strengthening the organization as a whole and development of infrastructure business in particular.

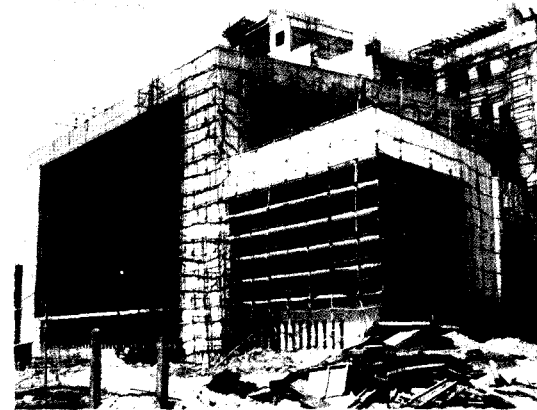
The brief particulars of all directors, for which approval of members for their appointment or re-appointment are sought, have been provided in the Notice of Annual General Meeting pursuant to clause 49 of the Listing Agreement relating to Code Corporate Governance.

Flyover for Indore Municipal Corporation, at Indore



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Brigade Tech Park 2 for Brigade Enterprises at Bangalore



Godhara Shamlaji Road for IRCON International Ltd., at Godhara



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"Prestige Obelisk" for Prestige Estates Projects
at Bangalore



Underpass for Indian Institute of Management
at Ahmedabad

Director 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 period ended September 30, 2005, 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 period 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 period ended September 30, 2005 on a going concern basis.

Corporate Governance

As per clause 49 of the Listing Agreement with the Stock Exchange, a separate section on Corporate Governance and Management Discussion and Analysis, confirming compliance is set out in the Annexure forming part of this report. The certificate from Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance is part of this report and is annexed.

Delisting of Shares

As approved by the Shareholders in last Annual General Meeting, the Company's equity shares have been delisted from Ahmedabad Stock Exchange effective from March 31, 2005 in accordance with the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003.

Subsidiary Company

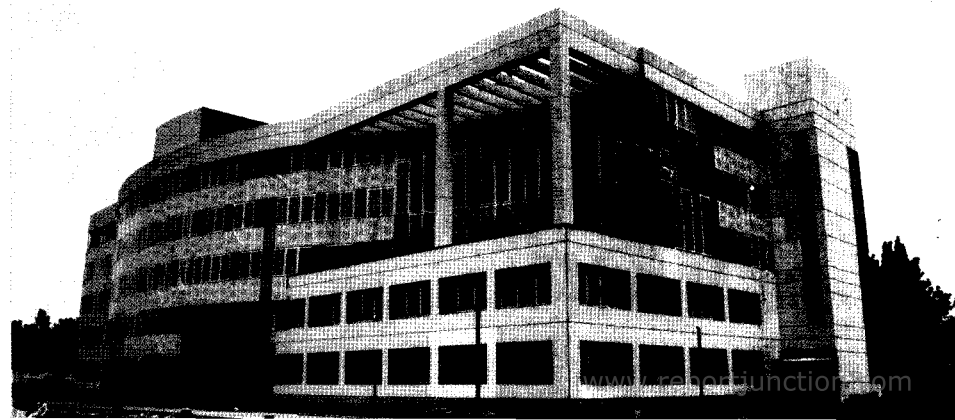
The Subsidiary Company M/s. JMC Mining and Quarries Ltd. has also extended its financial year 2004-05 up to September 30, 2005 to coincide the accounting period of holding Company and to reflect true and fair view of the financial position of the Company to the investors.

The Subsidiary Company has achieved more than 12% growth in terms of Turnover on annualized basis, which stood at Rs. 6.08 crore for eighteen-month period ended on September 30, 2005, as compared to Rs. 3.59 crore for last financial year ended on March 31, 2004. The operating profit has reduced to 6.08% from 8.08% and stood at Rs. 0.37 crore for 18 months period ended on September 30, 2005, as against Rs. 0.29 crore for the previous year ended on March 31, 2004. The Director's Report and statements of accounts along with Auditor's Report for the period ended on September 30, 2005, forms part of this report and are attached.

Consolidated Accounts

In compliance of clause 32 and clause 50 of the Listing Agreement with the Stock Exchange, as amended pursuant to the directive of Securities and Exchange Board of India (SEBI), the Company has prepared Consolidated Financial Statements as per the

Suraya Park-II for RGA Software Systems at Bangalore



Accounting Standard on Consolidated Financial Statements (AS 21) issued by the Institute of Chartered Accountants of India. The Audited Consolidated Financial Statements along with the Auditors' Report have been annexed with this Annual Report.

Employees

Relations with the employees continued to be cordial throughout the year. Your Directors place on record the appreciation of the efforts, dedication and active participation of employees in various initiatives of the Company and contributing to the performance of the Company during the period under review.

Statutory Disclosure

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

Particulars required to be furnished by the Companies (Disclosure of particulars in the report of the Board of Directors) Rule, 1988.

- Part A & B pertaining to conservation of energy and technology absorption is not applicable to the Company. The Company has, however, used information technology extensively in its operations.
- During the period, the Company has not earned any foreign exchange, while the outgo of foreign exchange is of Rs. 0.46 crore (PY Rs. Nil) towards Capital goods, Rs. 0.54 crore (PY Rs. Nil) for Materials, Rs. 0.02 crore (PY Rs. 0.01 crore) towards Traveling expenses and Rs. 2.83 crore (PY Rs. 1.02 crore) for Interest on foreign currency working capital loan.

Auditors & Auditor's Report

M/s. Sudhir N. Doshi & Co; the auditors of the Company retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. They have given their consent to accept the office, if re-appointed. Members are requested to consider their re-appointment.

The auditor's comments on the Company's accounts for the period ended on September 30, 2005 are self explanatory and do not require any explanation as per the provisions of section 217(3) of the Companies Act, 1956.

Acknowledgements

We thank our investors, clients, vendors, bankers and business associates for their continued support.

We place on record our appreciation of the dedication, commitment and contribution made by employees at all levels and look forward to their continued support in future as well.

For and behalf of the Board of Directors

Mumbai,
November 7, 2005

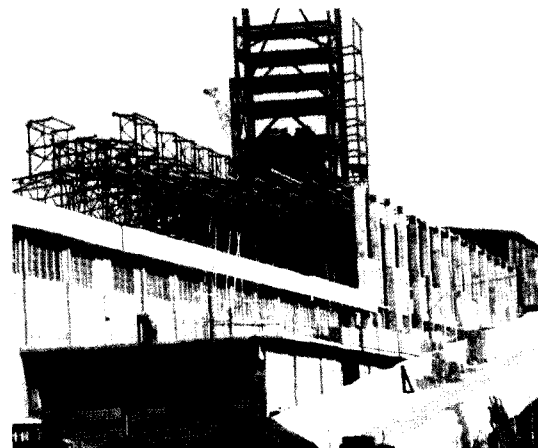
Hemant Modi
Vice Chairman

Office Complex for Syntel International Ltd., at Pune

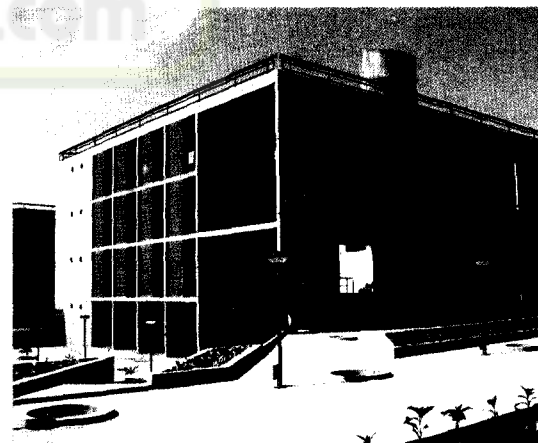


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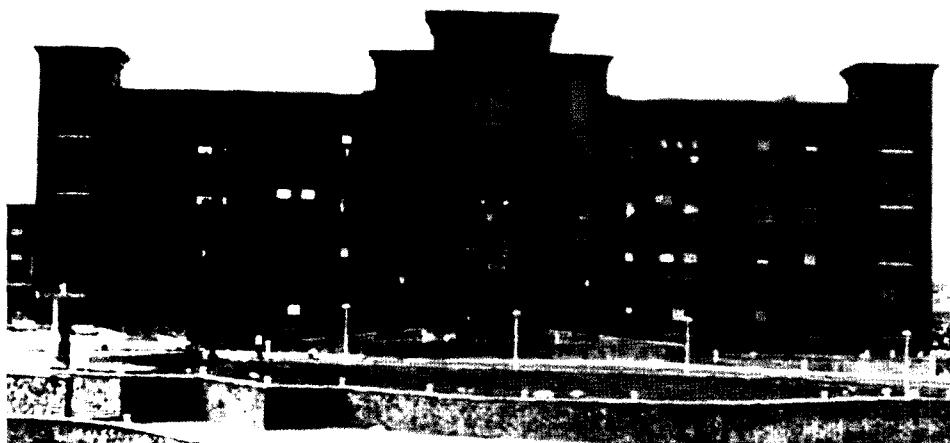
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Glass Shell Project for Videocon Narmada Glass at Bharuch



International Management Development Center, for Indian Institute of Management at Ahmedabad





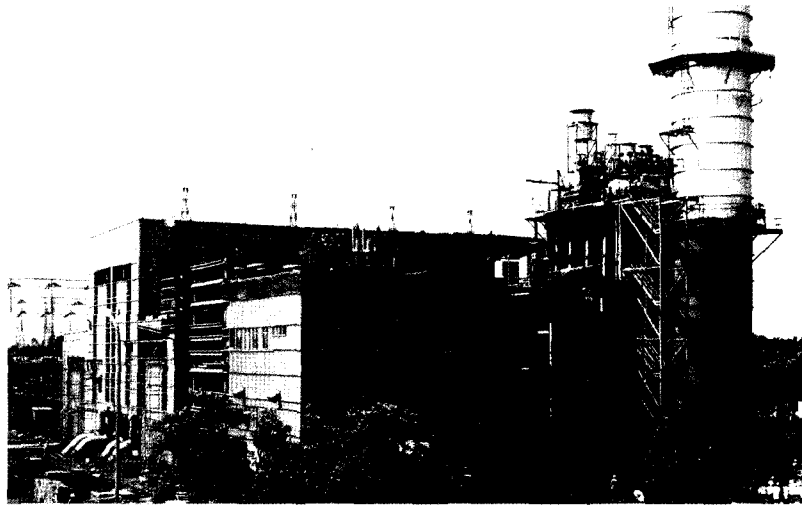
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Areas of our Core Competence

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

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

