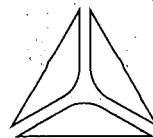


Annual Report 2007-2008



Teamwork

*Teamwork is the ability to work together toward a unified vision.
The ability to direct individual accomplishment toward organizational objectives.
It is the fuel that allows common people to attain uncommon results.*



JMC Projects (India) Ltd.
a Kalpataru Group Enterprise

Corporate Information

Board of Directors

BOARD OF DIRECTORS

Vijay Choraria
Chairman

Hemant Modi
Vice Chairman &
Managing Director

Suhas Joshi
Managing Director -
Buildings & Factories

M. D. Khattar
Managing Director -
Infrastructure Business
(up to 31/03/2008)

Ajay Munot
Director

Kamal Jain
Director

Mahendra G. Punatar
Director

Ramesh Sheth
Director

COMPANY SECRETARY

Ashish Shah
(up to 01/03/2008)

AUDITORS

M/s. Sudhir N. Doshi & Co.
Chartered Accountants

M/s. Kishan M. Mehta & Co.
Chartered Accountants

BANKERS

Oriental Bank of Commerce
The Karur Vysya Bank Ltd.
State Bank of India
Indian Bank
Punjab National Bank

AUDIT COMMITTEE

Vijay Choraria
Chairman

Ajay Munot
Member

Mahendra G. Punatar
Member

SHAREHOLDERS' GRIEVANCE COMMITTEE

Kamal Jain
Chairman

Suhas Joshi
Member

REMUNERATION COMMITTEE

Vijay Choraria
Chairman

Ajay Munot
Member

Kamal Jain
Member

Mahendra G. Punatar
Member

REGISTERED & CORPORATE OFFICE

A-104, Shapath-4, Opp. Karnavati Club,
S. G. Road, Ahmedabad 380 051, India.
Phone : 91-79-3001 1500
Fax : 91-79-3001 1600 / 1700

REGISTRAR & TRANSFER AGENT

M/s. Pinnacle Shares Registry Pvt. Ltd.
Near Asoka Mills, Naroda Road
Ahmedabad 380 025, India.
Phone : 91-79-2220 0338 / 0582 / 4226
Fax : 91-79-2220 2963





Teamwork

JMC has set the benchmark by being the 'Best in Class' in the field of construction and to create value for its Customers, wealth for its Stakeholders and a future for its Employees, while being your partner in Building a successful future.

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Your Partner in Building a Successful Future



To The Shareholders

Indian economy has been growing quite impressively as compared to many of its counterparts across the globe. Despite some impediments such as stagnancy in developed countries, soaring prices of crude and oil, mounting inflation etc., India is certainly poised for aggressive growth in next few years. Containing inflation without adversely affecting flow of investment and growth momentum will be the key challenge and top priority for the Government.

The biggest beneficiary of the economic growth has been the construction industry. Investment in construction industry accounts for nearly 15% of India's GDP and it has made significant contribution in sustaining growth too. So far, the main contributors to the growth of construction industry and the infrastructure sector have been roads, highways, real estate and airports but it is expected that other sectors like power, SEZs, metros, ports and urban infrastructure will also be the key drivers for the coming years.

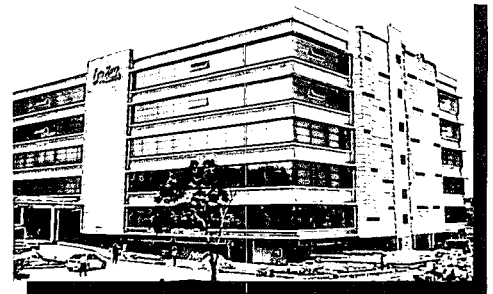
I have a great pleasure in sharing with you some of the major achievements of the company during the year. For the second consecutive year, the turnover and profit before tax have increased by more than 80% over the previous year. We could have performed even better but due to some external and unforeseen constraints, we fell short of another milestone. As per the special edition of Business Today of June 2008, JMC has been ranked as 6th fastest growing Small Companies of India which is indeed a matter of pride for all of us. It will be our continuous endeavor to strive for new heights of success in coming years.

Investment of Rs. 200 billion is expected in Power sector by the year 2012. One of the major achievements during the year was consolidation of our business in Power sector. We received projects for all major clients such as NTPC, BHEL, Reliance, Elecon and Alstom. Reasonably good progress in executing these projects has increased the level of confidence about our capabilities which will go a long way in establishing our place as a major player in power sector. While infrastructure sector continue to grow steadily, the Company has been successful in getting large building 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.

As a part of our strategy to expand geographical spread, we made foray into Eastern region by setting up new office in Kolkata and within a period of few months, we have started getting major orders from eastern region. Looking to business potential of this region, the company is expected to tap quite a few upcoming opportunities.

We have been successful in getting major orders in water / drainage pipelines during the year. For the first time, we have successfully commissioned RCC pipe manufacturing plant near Bhopal to enhance vertical strength for pipeline projects. We are also focusing other areas such as BOT projects, EPC for developers, railways, airports, urban infrastructure etc. which are going to be major thrust in coming years.

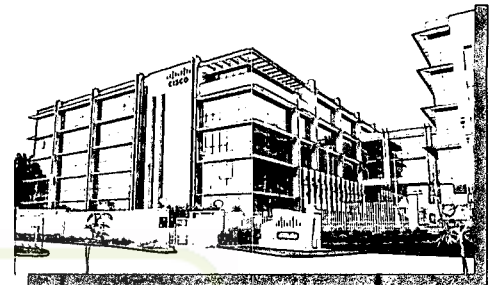
In the coming year, we will have major challenge of achieving time bound execution of critical projects despite of acute shortage of manpower and delays in availability of work fronts. We are looking for ways and means to reduce dependence on manual work and increase productivity by adopting latest technologies and mechanisation of key activities.



IT Park for Sierra Atlantic Software Ltd., Hyderabad



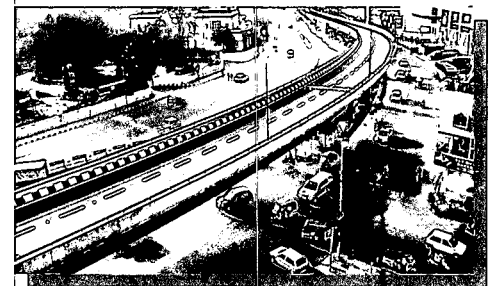
HM Software Park, Bangalore



Cessna Business Park for Prestige Group, Bangalore



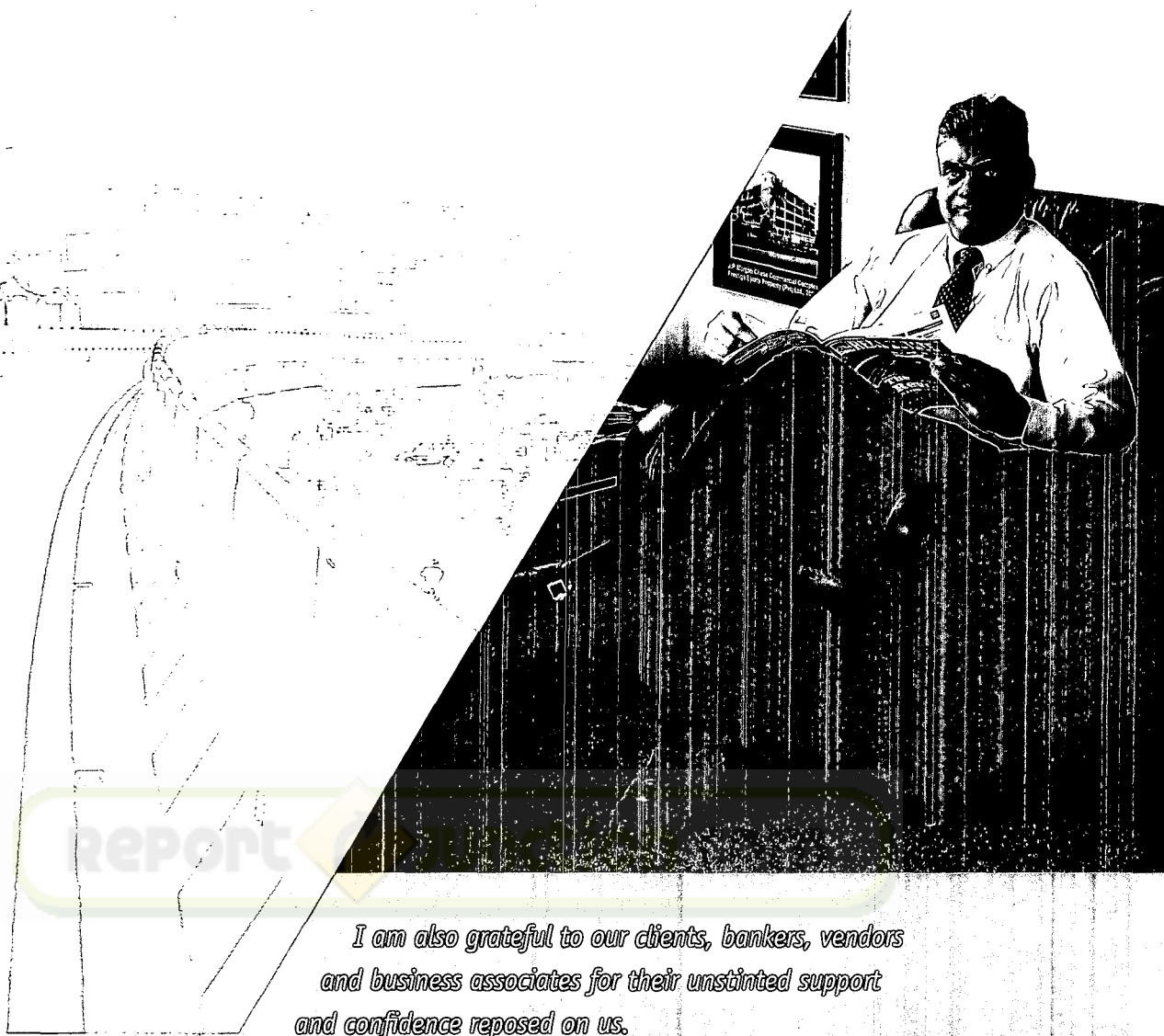
Bagmane Technology Park, Bangalore



Green Lands Fly-over at Hyderabad



Trichy - Madurai National Highway - 45B, Tamilnadu



I am also grateful to our clients, bankers, vendors and business associates for their unstinted support and confidence reposed on us.

To attract and retain best talent and skilled manpower, the company has introduced ESOP Scheme during the year. It will serve as good reward mechanism for the employees and ensure stability in the organization through retention of key personnel. The Company believes that employees should acquire and enhance skills on continuous basis which can provide a better platform for individual growth and take greater responsibilities. Under the able and visionary leadership of Group Chairman Shri Mofatraj Munot, Kalpataru group has started 'Kalpa-Vriksha Learning Centre', which is the state of the art and fully equipped facilities for conducting knowledge management programs. We are confident that our wealth of talented employees will enable us to derive competitive edge and deliver the best to our customers, despite challenging times.

Having reasonably good order backlog of nearly Rs. 25,000 million and few more orders expected, the Company is poised to achieve substantial and healthy growth in the coming year. We look forward to the continued support of all its stake holders on its journey to profitable growth and success.

Before I conclude, I wish to place on record my appreciation for the outstanding commitment and dedicated efforts of all our employees. I am also grateful to our clients, bankers, vendors and business associates for their unstinted support and confidence reposed on us.

Hemant Modi
Vice Chairman



Financial Highlights

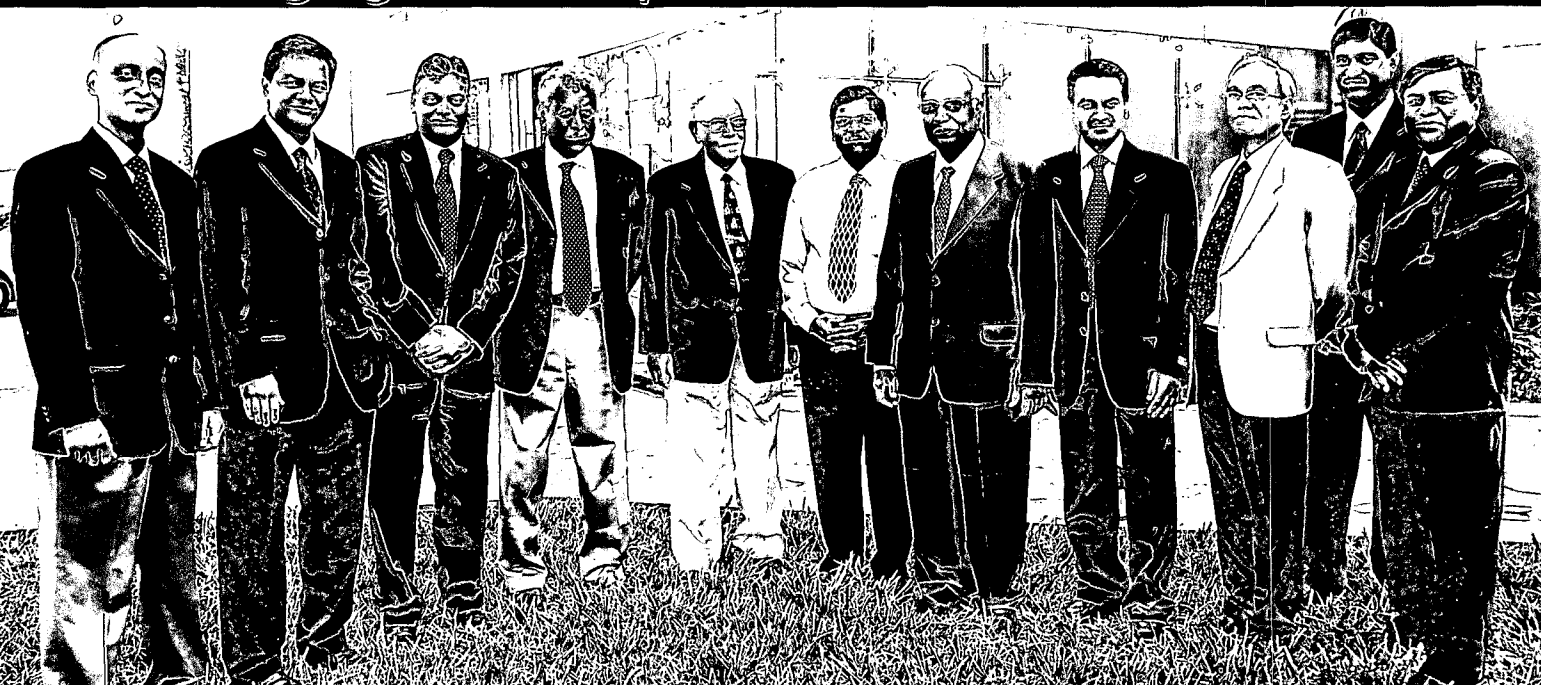
	2004-05 18 Months	2005-06 6 Months	2006-07 12 Months	2007-08 12 Months	2007-08 12 Months
	Rs. Million				USD Million
Total Income (Contract Receipts & Other Income)	3552	1433	5020	9210	230.4
Growth %	25.7%	21.0%	75.1%	83.5%	83.5%
Total Expenditure	3530	1350	4626	8484	212.3
Operating Profit (PBDIT)	22	83	394	726	18.2
Interest	146	40	74	84	2.1
Profit before depreciation and tax (PBDT)	(124)	43	320	642	16.1
Depreciation	53	21	69	165	4.1
Profit before tax (PBT)	(177)	22	251	477	11.9
Provision for Income Tax / FBT / Deferred Tax	(61)	9	92	170	4.2
Profit after Tax (PAT)	(116)	13	159	307	7.7
Equity Share Capital	116	116	181	181	4.5
Preference Share Capital	0	0	0	253	6.3
Net Worth **	363	372	1237	1705	42.7
Long Term Borrowings	325	299	160	301	7.5
Short Term Borrowings	444	272	468	827	20.7
Total Borrowings	769	571	629	1128	28.2
Capital Employed (Net Worth + Total Borrowings)	1132	943	1866	2833	70.9
Debt Equity Ratio (Total)	2.12:1	1.53:1	0.51:1	0.65:1	0.65:1
Debt Equity Ratio (Long Term)	0.89:1	0.80:1	0.13:1	0.17:1	0.17:1
Book Value per Equity Share (Rs.)	31.25	32.05	68.20	94.01	2.35
Earning per Equity Share (Rs.)	0	1.13	12.70	16.14	0.40
Equity Dividend %	0	0	10%	20%	20%
Operating Profit %	0.6%	5.8%	7.9%	7.9%	7.9%
Profit Before Tax %	-5.1%	1.6%	5.0%	5.2%	5.2%
Profit after Tax %	-3.3%	0.9%	3.2%	3.4%	3.4%
Return (Pre-tax) on Average Network *	-67.2%	6.1%	31.2%	32.4%	32.4%
Return on Average Capital Employed #	-3.1%	6.1%	23.1%	23.8%	23.8%
Order Backlog at the year end *	6400	7950	11619	20882	522
No. of Employees	863	957	1399	2180	2180

* Includes orders in the name of Joint Ventures. # For calculating Return, interest is added back in Profit before tax.

Exchange Rate - US\$ = Rs. 39.97

** After adjustment of Misc. expenditure to the extent not written off.

Managing with Professionalism



Key Management Team

Directors' Report

Your Directors have pleasure in presenting the 22nd Annual Report on the business and operations together with the Audited accounts for year ended 31st March, 2008.

The performance of the Company for the year ended on 31st March, 2008 is summarized below.

(Rs. in million)

Financial Results	For the year ended on 31st March 2008	For the year ended on 31st March 2007
Contract Receipts & Other Income	9209.75	5020.05
Profit before Interest & Tax	602.53	354.68
Interest & Finance Charges	125.59	101.80
Profit Before Tax	476.94	252.88
Income Tax	129.06	2.83
Deferred Tax Provision	34.14	85.36
Fringe Benefit Tax	6.58	4.15
Net Profit After Tax (for the period)	307.16	160.54
Prior Period Expenses	0.75	1.55
Prior Period Income	(0.35)	0.00
Net Profit	306.76	158.99
Appropriations:		
6% Interim Dividend on Optionally Convertible Preference Shares of Rs. 202/- each	12.22	0.00
Proposed Dividend on Equity Shares of Rs. 10/- each	36.29	18.14
Corporate Dividend Tax on OCPS & Equity Dividend (including surcharge)	8.24	3.08
Transferred to General Reserve	23.01	0.00
Balance carried to Balance Sheet	227.00	137.77

Dividend on Optionally Convertible Preference Shares

Board of Directors declared 6% interim dividend on 12,50,000 Optionally Convertible Preference Shares (OCPS) of Rs. 202/- each for the half year ended on 31st March 2008. As per the terms of the issue of OCPS, the Company has already paid half yearly interim dividend @ 6% for the period from 11th June 2007 to 30th September 2007. The said interim dividends are to be treated as final dividend on OCPS.

Dividend on Equity Shares

Your Directors are pleased to recommend payment of dividend @20% for the year ended on 31st March 2008 (i.e. Rs. 2/- per equity share of Rs. 10/- each) on 1,81,40,290 Equity Shares.

Transfer to Reserves

We propose to transfer Rs. 23.01 million to General Reserves and retain Rs. 227 million in the Profit and Loss Account.

Results of Operation

During the year ended on 31st March 2008, your Company has achieved turnover (contract receipts) of Rs. 9150 million (USD 230 mn) as against Rs. 5002 million (USD 126 mn) for year ended on 31st March, 2007, reflecting substantial growth of 83%. The Company has achieved profit before tax of Rs. 477 million (USD 12 mn) for the year ended on 31st March 2008, showing an increase of 88% over its previous year.



New Contracts

During the year under review, the Company has received new contracts of approx. Rs. 18,413 million (USD 460 mn).

Industrial & Building Projects

- Civil works of Town Centre & Star Courts for Jaypee Greens at Greater Noida.
- Civil work at "Salarpuria Symphony" at Bangalore.
- Civil, Structure and External Development works for Shopping Mall & Hotel for Ruchi Malls and Hospitality at Ahmedabad.
- Construction of Multipurpose Air-Conditioned Indoor Stadium and 8 lane Synthetic Athletic Track at Thyagaraj Sports Complex for PWD, New Delhi.
- Civil, Structural and Infrastructural works for Formulation and API Facility for Eisai Pharma at Vizag.
- Civil Structural work of Inland Container Depot for Boxtrans Logistics at Sonapat, Haryana.
- Civil Works for Pritech Park project for RGA Software at Bangalore.
- Civil & Associated works for Aluminum Smelter Project for Vedanta Alumina Ltd. At Jarshuguda, Orissa.
- Construction of Vrindavan Tech Village for Vikas Telecom Ltd. at Bangalore.
- Construction of Software Development Centre for Wipro Ltd. at Hyderabad.
- Structural & Civil finishing work for Prestige Cyber Tower for Prestige Estate Projects at Bangalore.
- Civil Structural work for Construction of Visualsoft IT Building for Bhagyanagar Infrastructure Ltd. at Hyderabad.

Infrastructure Projects

- Construction of Retaining Wall for Sabarmati River Front Development Corporation Ltd. at Ahmedabad.
- Construction of new Four Lane Agra Bypass for NHAI (in JV with Sadbhav Engineering Ltd.)
- Supply, Lowering, Laying and jointing of Raw Water Pumping and allied works for Indore Municipal Corporation (in JV with Taher Ali Industries)
- Supply, Laying and Commissioning of Sanitary Sewers including allied works for Bhopal Municipal Corporation.
- Construction of road Mandleswar- Kasrawad-Khargone and Banher to Mahashtra Boarder for Madhya Pradesh Road Development Corporation Ltd.
- Design and construction of segmental Flyover at Bhosari on Pune-Nashik Road for Pimpri Chinchwad Municipal Corporation.

Power Projects

- Design & Construction of complete Civil Package for Coal Handling Plant (2x490 MW) at NTPC, Dadri.
- General Civil Works package for 2x600MW Hissar Thermal Power Project for Utility Energytech / Reliance at Hissar, Haryana.
- Turbine bay and Electrical Control bay Structures for 2x250 MW units for BHEL from Elecon Engineering Ltd. near Surat.

As on 31st March, 2008, the aggregate value of orders on hand stands at Rs. 20,882 million (USD 522 mn.) including unexecuted portion of orders in Joint Venture of Rs. 6,250 million.

New Orders received after 31st March, 2008**Industrial & Building Projects**

- Godrej IT Park Project for Godrej & Boyce Mfg. Co. Ltd. at Mumbai.
- Civil Works for Construction of Shopping Mall, Multiplex, Hotel & Office Building for Classic Mall at Chennai.
- Civil Work, HVAC, Electrical, Lifts, Fire fighting and external development work for Multipurpose Air-Conditioned Indoor Stadium at Thyagaraj Sports Complex, New Delhi.
- Construction of Residential Towers for SJR Group at Bangalore.

Power Projects

- Structural and Architectural work for Main Power Block along with its Auxiliaries and balance of Plant 2 x 250 MW expansion project for BHEL at Sikka TPS, Gujarat.

Future Prospects

Over the past few years, the Construction Sector has grown at more than 15% as compared to GDP growth rate of 9%. There is a huge potential in the areas of infrastructure, housing, commercial buildings and power projects. Looking to buoyant capex and industrial investments forecasted, we look forward to the tremendous growth potential of construction industry in particular. Your Company is expected to capitalize and consolidate current and future opportunities and will strive for profitable growth. However, the price variation clauses of WPI indexed projects of NHAI, cost push inflation of key inputs and manpower shortages may create margin pressures. Also there exists an unprecedented shortage of skilled labour. The strong order book position will enable the Company to achieve healthy growth in terms of turnover and profitability in the next financial year.

Change of Main Object Clause

Keeping in mind changing business scenarios and in order to explore upcoming opportunities in construction sector, the Company had decided to amend the "Main Object" of the Memorandum of Association to broaden the existing clause. The resolution for the said amendment was passed by the Members through Postal Ballot in October, 2007.

Issue of Optionally Convertible Preference Shares

As approved by the shareholders in the Extra-ordinary General Meeting held on 7th February 2007, the Company has raised Rs. 252.50 million by issuing 12,50,000, 6% Optionally Convertible Preference Shares (OCPS) of the face value of Rs. 202/- per share on a Preferential basis to the Promoters during the current year as per Preferential Issue Guidelines issued by the SEBI.

Each OCPS is convertible into an equity share of Rs. 10/- each at premium of Rs. 192/- per share within 18 months from the date of allotment i.e. on or before 10th December 2008 at the option of the holders. If option is not exercised by the holder, the same shall be converted in Non Cumulative Redeemable Preference of Rs. 202/- each redeemable at the end of 5th year from the date of allotment or early conversion as may be decided by the Board of Directors.

Employee Stock Option Scheme

The Company implemented the 'Employee Stock Option Scheme 2007' (ESOP) pursuant to the resolution passed by the members at the 21st Annual General Meeting. The Company granted 6,00,000 Employee Stock Options exercisable into 6,00,000 Equity Shares of Rs. 10/- each, to eligible employees at a price of Rs. 217/- per share being 20% discount to the market price of Rs. 272/- prevailing on the date prior to the date of the meeting on July 21, 2007 of Remuneration Committee duly authorized, in which the ESOP were granted. The Company calculates the employee compensation cost using intrinsic value of the Stock Options. Accordingly, the discount of Rs. 55/- per share on 6,00,000 equity shares aggregating to Rs. 33 million will be amortized in 48 months on straight line basis as per the Accounting Policy prescribed by SEBI under "Employee Stock Option Scheme and Employee Stock Purchase Scheme" Guidelines, 1999 and consequential sum of Rs. 5.5 million has been charged to the Profit & Loss Account for the current year.

The disclosure required to be made under Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines, 1999, is provided in Annexure 'A' forming part of this Report.

Finance

During the year, Company has raised Preference Share Capital of Rs. 252.50 million in the form of 6% Optionally Convertible Preference Share of the face value of Rs. 202/- per share through preferential allotment basis to promoters.

The funds raised through OCPS have been utilized for the purpose for which it was raised i.e. to meet requirement of capital expenditure.

To meet requirement of additional working capital, the company has obtained enhanced fund based credit limits from Rs. 650 million to Rs. 950 million. Due to growing business needs, the non-fund based additional facilities have been increased from Rs. 4250 million to Rs. 6250 million.

The company has also raised long term funds through term loan to the tune of Rs. 253 million for capital expenditure upto 31st March 2008. The Company had planned for raising the funds through issue Convertible External Commercial Borrowing. The application for necessary approval was forwarded to RBI / BSE and the response for the same is awaited.

Fixed Deposit

During the period under review, the Company has accepted deposits from Shareholders and others within the prescribed limits. As on 31st March, 2008 deposits from Public and Shareholders stood at Rs. 17 million, out of which a sum of Rs. 0.67 million relating to 42 depositors remained unclaimed. The Company had sent reminders to all the 42 depositors for their unclaimed deposits out of which some deposits were claimed and paid subsequently. There were no deposits, which were claimed and remained unpaid by the Company as on March 31, 2008. Presently Company is not accepting fresh deposits and renewal of fixed deposits was also stopped w.e.f. February 1, 2008. All the deposits are being repaid on its maturity.

Directors

Mr. M. D. Khattar, Managing Director Infrastructure Business has resigned upon expiry of his terms w.e.f. April 1, 2008. He was associated with the Company since November 2005. The Board of Directors records its appreciation for contribution made by him to the Infrastructure Division during his tenure.



Mr. Ramesh Sheth, 74, Master in Civil & Structural Engineering having experience of approx. 50 years in Civil Engineering & Structural Designing has been appointed as Director w.e.f. 1st October 2007. Your directors recommend for his appointment and accordingly, resolution is put in the Notice of 22nd Annual General Meeting annexed herewith for members approval.

In accordance with the provision of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Vijay Choraria and Mr. M. G. Punatar are liable to retire by rotation at the ensuing Annual General Meeting. Both the Directors have offered themselves for re-appointment.

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 Corporate Governance.

Director Responsibility Statement

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed:

- (a) that in preparation of annual accounts for the year ended 31st March, 2008, 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 of the Company for year ended on that date;
- (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 year ended 31st March, 2008 on a going concern basis.

Corporate Governance

Pursuant to clause 49 of the Listing Agreement entered into with the Stock Exchange, a separate section on Corporate Governance and certificate obtained from Practicing Company Secretary confirming its compliance, is provided separately and forming part of this Report.

Report on Management Discussion and Analysis is provided in separate section and forming part of this report.

Subsidiary Company

Your Company has only one subsidiary company namely, M/s. JMC Mining and Quarries Ltd. It has achieved Turnover of 50 million for the year 2007-08 as compared to Rs. 34 million for the previous year. It has incurred net loss of Rs. 0.9 million as against net loss of Rs. 2.69 million for the previous year.

The statement pursuant to Section 212 of the Companies Act, 1956 containing details of subsidiary of the company forms part of this Annual Report.

Consolidated Financial Statements

In compliance of clause 32 and clause 50 of the Listing Agreement with the Stock Exchanges, the Company has prepared Consolidated Financial Statements as per the Accounting Standard on Consolidated Financial Statements (AS - 21). The Audited Consolidated Financial Statements along with the Auditors' Report have been annexed with this Annual Report.

The Auditors' Report to the Board of Directors does not contain any qualification.

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.

Employees

Employees are cornerstone of the Company. We appreciate and place on record excellent efforts and contribution made by our employees in taking the Company to new heights.

We are also committed to equipping employees with skills and competencies that will help their career and personal growth and at the same time bring better efficiency in accomplishing overall goals of the Company.