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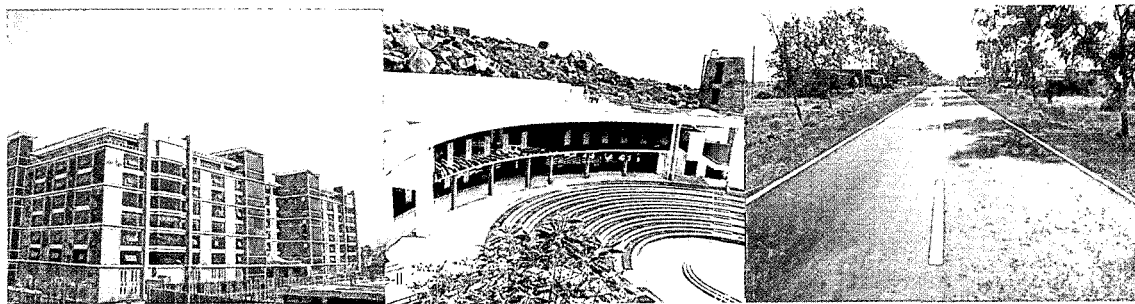
ANNUAL REPORT 2008 - 2009



JMC Projects (India) Ltd.

a Kalpataru Group Enterprise

www.reportjunction.com



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Vijay Choraria
Chairman
(upto 11.12.2008)

Mr. D. R. Mehta
Chairman
(w.e.f. 11.12.2008)

Mr. Hemant Modi
Vice Chairman & Managing Director

Mr. Suhas Joshi
Managing Director

Mr. Ajay Munot
Director
(upto 31.03.2009)

Mr. Kamal Jain
Director

Mr. Mahendra G Punatar
Director

Mr. Ramesh Sheth
Director

Mr. Manish Mohnot
Director
(w.e.f. 29.05.2009)

AUDIT COMMITTEE

Mr. Vijay Choraria
Chairman
(upto 11.12.2008)

Mr. D. R. Mehta
Chairman
(w.e.f. 11.12.2008)

Mr. Ajay Munot
Member
(upto 31.03.2009)

Mr. Mahendra G Punatar
Member

Mr. Kamal Jain
Member
(w.e.f. 01.04.2009)

SHAREHOLDERS' GRIEVANCE
COMMITTEE

Mr. Kamal Jain
Chairman

Mr. Suhas Joshi
Member

Mr. Hemant Modi
Member
(w.e.f. 11.12.2008)

REMUNERATION COMMITTEE

Mr. Vijay Choraria
Chairman
(upto 11.12.2008)

Mr. D. R. Mehta
Chairman
(w.e.f. 11.12.2008)

Mr. Ajay Munot
Member
(upto 31.03.2009)

Mr. Kamal Jain
Member

Mr. Mahendra G Punatar
Member

COMPANY SECRETARY

Mr. Ashish Shah
(w.e.f. 01.01.2009)

AUDITORS

Sudhir N. Doshi & Co.
Chartered Accountants, Ahmedabad

Kishan M Mehta & Co.
Chartered Accountants, Ahmedabad

REGISTERED AND 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 / 3001 1700
Email: jmcho@jmcprojects.com

BANKERS

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

REGISTRAR & TRANSFER AGENT

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

CONTENTS

Your Partner In Building A Successful Future

Message from Vice Chairman	02
Financial Highlights	03
Directors' Report	04
Management Discussion and Analysis	10
Report on Corporate Governance	13
Auditors' Report	21
Balance Sheet	24
Profit and Loss Account	25
Schedule Forming Part of Accounts	26
Cash Flow Statement	42
Statement under Section 212 of the Companies Act, 1956	43
Balance Sheet Abstract	44
 Consolidated Financial Statements	
Auditors' Report	45
Consolidated Balance Sheet	46
Consolidated Profit and Loss Account	47
Consolidated Schedule Forming Part of Accounts	48
Consolidated Cash Flow Statement	61



MESSAGE FROM VICE CHAIRMAN & MANAGING DIRECTOR

To the Shareholders

The global economy is passing through the worst ever crisis in the past few decades. Most of the developed countries are in turmoil facing severe recession without any immediate hope of recovery. Fortunately, the Indian economy could withstand the onslaught without being severely impacted and could achieve a slow but positive growth rate. Despite global slow down, in 2008-09, India has achieved a GDP growth rate of 6.7% which is the second fastest in the world after China's 8%. With a strong and stable Government at the centre, the capital market is showing signs of some revival and confidence which may foster the economic momentum in the coming few months. India is expected to show recovery in growth during the second half of this fiscal year.

The construction industry is affected to a major extent due to the economic meltdown. Infrastructure projects are witnessing a slow down and the real estate sector is in a slump. Private investors have pushed back several big projects planned earlier, either due to lack of funds or these becoming unviable. However, with a somewhat slower rate of growth, the Indian economy is still expanding appreciably, and substantial investment in infrastructure continues to be required in order to maintain the growth momentum. The availability, quality and efficiency of more basic forms of infrastructure including power, water and land transportation will be pre requisites for economic development. Some areas like roads, rail lines, ports and airports are already operating at saturation, so further expansion is inevitable for economic growth. Except for the ailing real estate sector, the overall scenario for the construction industry looks to be optimistic.

I have great pleasure in sharing with you some of the major achievements of the company during the year. For the first time, we have crossed the milestone of Rs. 1,000 Crores and achieved 43% growth in turnover over the previous year. We have been able to achieve this only due to the painstaking efforts of our employees, and the unstinting support from all the stakeholders. I am confident that this will enable the company to qualify for large value projects and to improve the overall bidding capacity in the long run.

Our business in the Power Sector has completed two successful years which is being reflected in terms of repeat orders from

major clients such as Reliance Energy, BHEL, Alstom and Elecon Engineering. The Company has achieved a major break through during the first year of operation, in the Eastern India region, in terms of securing and successfully executing large value projects. We were also successful in securing and executing major fast track projects in Delhi for the Commonwealth Games 2010.

The coming year will be quite challenging for the Company as well as the construction industry. Coping up with the intensified competition without compromising significantly in margins will call for exceptional skills and innovative strategies. We also need to realign the business model in line with the changing scenario and to tide over the difficult times. For strengthening our order book position, we need to pursue infrastructure projects which are likely to be offered through the Public Private Partnership (PPT) model. We are focusing on upcoming projects in a few states in North - East India, which will provide an impetus to our growth. We also look forward to diversifying into EPC Projects and value added services to sustain growth and profitability. Until there is some improvement in the economic scenario and an inflow of fresh capital, the liquidity crunch in the market is another area of major concern, which will require sound receivable management so as to contain interest cost.

We are greatly focused towards enhancing the skills and level of motivation of our employees through continuous training and various HR initiatives. In the construction industry, many companies have gone beyond Quality Management Systems by implementing ISO 14001 (Environmental Management System) and OHSAS 18001 (Occupational Health and Safety Management System). Many multinational clients and PSUs are also insisting for certification of these standards. In our quest for continuous improvement, we have decided to implement ISO 14001: 2004 and OHSAS 18001: 2007 across the company.

Before I conclude, I wish to place on record my sincere 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 unstinting support and the confidence placed in us.

Hemant Modi
Vice Chairman & Managing Director





FINANCIAL HIGHLIGHTS

Managing with Professionalism

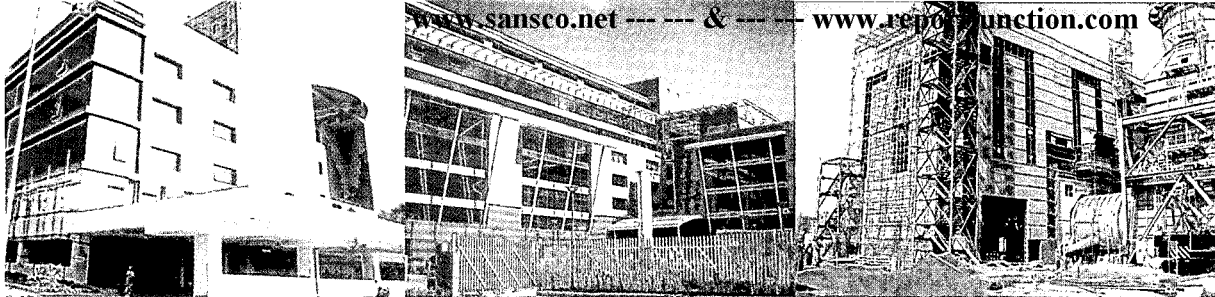
FINANCIAL HIGHLIGHTS	Financial year 2006 - 2007	Financial year 2007 - 2008	Financial year 2008 - 2009
	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)
Total Income	50,200	92,098	1,31,944
Growth (%)	75%	84%	43%
Total Expenditure	46,265	84,839	1,24,725
Operating Profit (PBDIT)	3,936	7,258	7,219
Interest	736	838	2,341
Profit Before Depreciation and Tax (PBDT)	3,200	6,420	4,879
Depreciation	687	1,655	2,983
Profit Before Tax (PBT)	2,513	4,765	5,195
Provision for Income Tax / FBT / Deferred Tax	923	1,698	1,519
Profit After Tax (PAT)	1,590	3,068	3,676
Equity Share Capital	1,814	1,814	1,814
Preference Share Capital	-	253	253
Net Worth *	12,371	17,054	20,195
Long Term Borrowings	1,602	3,014	9,089
Short Term Borrowings	4,685	8,266	10,555
Total Borrowings	6,287	11,280	19,644
Capital Employed (Net Worth + Total Borrowings)	18,658	28,333	39,839
Debt Equity Ratio (Total)	0.51:1	0.65:1	0.97:1
Debt Equity Ratio (Long Term)	0.13:1	0.17:1	0.45:1
Book Value per Equity Share (Rs.)	68	94	111
Earning per Equity Share (Rs.)	13	16	19
Equity Dividend (%)	10%	20%	20%
Operating Profit (%)	8%	8%	6%
Profit Before Tax (%)	5%	5%	4%
Profit After Tax (%)	3%	3%	3%
Return (Pre-tax) on Average Network (#)	31%	32%	28%
Return on Average Capital Employed #	23%	24%	22%
Order Backlog at the year end**	1,16,190	2,08,817	1,80,908
No. of Employees	1,399	2,180	2,207

* After adjustment of Miscellaneous Expenditure to the extent not Written Off.

For calculating Return, Interest is added back in Profit Before Tax.

** Includes Orders in the name of Joint Ventures.





DIRECTORS' REPORT

Your Directors take pleasure in presenting the 23rd Annual Report on the business and operations together with the audited accounts for year ended 31st March, 2009.

The performance of the Company for the year ended on 31st March, 2009 is summarized below.

FINANCIAL RESULTS

	For the year ended on 31st March 2009 (Rs. in Lacs)	For the year ended on 31st March 2008 (Rs. in Lacs)
Contract Receipts & Other Income	1,31,944.37	92,062.34
Profit before Depreciation Interest & Tax	11,424.19	7,680.33
Depreciation	2,983.36	1,654.99
Interest & Finance Charges	3,245.96	1,255.96
Profit Before Tax	5,194.87	4,769.38
Income Tax	1,811.32	1,290.58
Deferred Tax Provision	(369.56)	341.43
Fringe Benefit Tax	77.00	65.78
Net Profit After Tax (for the period)	3,676.12	3,071.59
Add: Surplus brought forward from previous year	2,622.19	352.21
Less : Prior Period Adjustments	53.63	4.06
Profit Available for Appropriation	6,244.68	3,419.74
Appropriation:		
6% Interim Dividend on Optionally Convertible/Non-Cumulative Redeemable Preference Shares (OCPS / NCPS) of Rs. 202/- each	151.50	122.24
Proposed Dividend on Equity Shares of Rs. 10/- each	362.81	362.81
Corporate Dividend Tax on OCPS / NCPS Equity Dividend (including surcharge)	87.41	82.43
Transferred to General Reserve	262.42	230.06
Balance carried to Balance Sheet	5,380.54	2,622.20
	6,244.68	3,419.74

Dividend on Optionally Convertible Preference Shares / Non-Cumulative Redeemable Preference Shares

As per the terms of the issue of OCPS, the Company has paid half yearly interim dividend @ 6% on 12,50,000 OCPS for the period from 1st April 2008 to 30th September 2008. The said OCPS was converted into Non-Cumulative Redeemable Preference Shares w.e.f. 11th December, 2008, as OCPS holders have not exercised their option to convert into equity shares. The Board of Directors declared 6% interim dividend on 12,50,000 Non-Cumulative Redeemable Preference Shares (NCPS) of Rs. 202/- each for the half year ended on 31st March 2009. 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 of Rs. 2/- per equity share of the face value of Rs. 10/- for the year ended on 31st March 2009 (i.e. 20%) on 1,81,40,290 Equity Shares.

Transfer to Reserves

We propose to transfer Rs. 262.42 Lacs to General Reserves and retain Rs. 2,811.98 Lacs in the Profit and Loss Account.

Results of Operation

During the year ended on 31st March 2009, your Company has achieved turnover (contract receipts) of Rs. 1,30,899 Lacs (USD 273 million) as against Rs. 91,498 Lacs (USD 191 million) for year ended on 31st March 2008, reflecting growth of 43%. The Company has achieved Profit Before Tax of Rs. 5,195 Lacs (USD 11 million) for the year ended on 31st March 2009, as against Rs. 4,769 Lacs (USD 10 million) for the previous year.

The reason for decline in Profit Before Tax as a % Contract Receipts is mainly due to increase in the fixed cost such as salary, interest and depreciation. Stoppage of work in Agra Bypass Road Project of NHAI due to non-availability of land caused major bottleneck in improvement of financial performance during the year.

Within just 2 years of entry into Power Sector related construction activities, the company has established a commendable track record which will provide strong platform for future growth. Similarly, the Company has achieved major break-through in the first year of operation in Eastern India region in terms of securing and successfully executing large value projects.

New Contracts

During the year under review, the Company has received new contracts of approx. Rs. 1,02,989 Lacs.

Industrial & Building Projects

- Civil Work, HVAC, Electrical, Lifts, Fire fighting and external development work for Multipurpose

Air-Conditioned Indoor Stadium at Thyagaraj Sports Complex, New Delhi.

- Civil Work for Hospital Building for Jaiprakash Associates Ltd. at Noida.
- Civil Work for Bake Oven and ETP / STP at Jharsuguda, Orissa for Vadanta Aluminium Ltd.
- Construction of Indoor Cycling Velodrome at Indira Gandhi Stadium Complex, New Delhi for Commonwealth Game 2010 for CPWD, Govt. of India.
- Upgradation, renovation and new construction at Indira Gandhi Stadium Complex, New Delhi for Commonwealth Game 2010 for CPWD, Govt. of India.
- Construction of Logistics, Infrastructure and Mercantile building at Bangalore for Punit Reach Logistics Pvt. Ltd.
- Construction of Brigade International School at Bangalore for Brigade Enterprise Ltd.
- Godrej IT Park Project for Godrej & Boyce Mfg. Co. Ltd. at Mumbai.
- Civil Works for Construction of Shopping Mall, Multiplex, Hotel and Office Building for Classic Mall at Chennai.
- Channel Works for Exora Business Park at Bangalore.
- Civil and Structural works at CMC Centre Campus, Bangalore for CMC Ltd.

Power Projects

- Civil and Architectural work for 1x300 MW Coal Based Group Power Project and Raw Water Reservoir and Pump House at Butibori, Nagpur for Reliance Infrastructure Ltd.
- 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.
- Civil Work for Switch Yard, Admin Building, Stores etc. for 2 x 600 MW DVC, Raghunathpur Thermal Power Project at Purulia, West Bengal for Utility Enregytech.

As on date, the aggregate value of orders on hand stands at Rs. 2,20,000 Lacs.

New Orders received after 31st March, 2009

- Construction of Township and other site development work for Aluminium Smelter project at Jharsuguda, Orissa for Vedanta Aluminium Ltd.
- Civil work for SLN Terminus at Hyderabad for Lumbini Construction Ltd.

Future Prospects

The Company will continue to focus on the Infrastructure Sector especially Roads, Urban Infrastructure and Power Sector which are relatively less affected by the economic slowdown. Hopefully the stimulus package of the Government and major steps taken by the Reserve Bank of India to infuse liquidity in the market and reduction in



interest rates would assist in creating a positive climate for new investments. The Company will look forward to converting upcoming opportunities, so as to achieve the growth momentum.

Change in status of Optionally Convertible Preference Shares & Rights Issue

As the holders of 12,50,000 Optionally Convertible Preference Shares (OCPS) of Rs. 202/- each have not exercised their option for conversion into equity shares, the said OCPS have become Non-Cumulative Redeemable Preference Shares (NCPS) of Rs. 202/- each w.e.f. 11th December, 2008. The Board of Directors, at its meeting held on 29th January 2009, has decided to redeem the said NCPS. The funding requirement will be met through issue of equity shares on a Rights basis, for which, the Company has already filed Draft Letter of Offer with Securities & Exchange Board of India and are awaiting their approval.

Employee Stock Option Scheme

During the year under review, none of the employees have opted for conversion of the Options into Equity Shares.

The Company calculates the employee compensation cost using intrinsic value of the Stock Options. Accordingly, the discount of Rs. 55/- per share on Options in force 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. For the current year, net amount of Rs. 58.86 Lacs has been charged to the Profit & Loss Account.

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

In order to meet additional funding requirements for growth, the Company has increased its fund-based working capital limits from Rs. 9,500 Lacs to Rs. 14,500 Lacs and non-fund based limits from Rs. 62,500 Lacs to 99,500 Lacs in current year. The Company has incurred Capital expenditure of Rs. 6,378 Lacs, which have mainly financed through terms loans and internal accruals.

Fixed Deposit

During the period under review, the Company has accepted deposits from Shareholders and others within the prescribed limits. As on 31st March, 2009 deposits from Public and Shareholders stood at Rs. 163.26 Lacs, out of which a sum of Rs. 2.85 Lacs relating to 23 depositors remained unclaimed. The Company had sent reminders to all the 23 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 31st March, 2009. The Company has started acceptance of fresh Fixed Deposits as well as renewal of existing deposits w.e.f. 29th January, 2009. All the deposits are being repaid on their maturity.

Directors

Mr. Vijay Choraria, Chairman of the Company has resigned w.e.f. 11th December, 2008. He was associated with the Company since February 2005. The Board of Directors records its appreciation for contribution made by him to the Company during his tenure.

Mr. D. R. Mehta, 71, B.A., LL.B, Management Graduate from Royal Institute of Public Administration, London and Alfred Sloan & School of Management MIT-Boston, USA has joined as the Chairman of the Company w.e.f. 11th December, 2008. He has a rich experience of more than 40 years, during which he held various important positions in Government of Rajasthan and Government of India, and also in Regulatory Bodies.

Mr. Ajay Munot, Non-Executive Director nominated by holding the company, Kalpataru Power Transmission Ltd., has resigned w.e.f. 1st April, 2009. He made immense contributions in scaling new peaks of the Company during his association of 4 years. The Board of Directors records its appreciation for his significant contribution in the overall development of the Company.

Mr. Manish Mohnot, 37, a Chartered Accountant and Cost Accountant having experience of 15 years of business consulting in the field of Power, Oil & Gas, Ports, Water Shipping, Tourism, Railways / Containers and Airports, has been nominated as Director of the Company w.e.f. 29th May, 2009 by Kalpataru Power Transmission Ltd.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Kamal Jain and Mr. Ramesh Sheth are liable to retire by rotation at the 23rd Annual General Meeting. Both the Directors have offered themselves for re-appointment.

Your Directors recommend appointment of Mr. D. R. Mehta and Mr. Manish Mohnot as Directors whose term as Additional Directors is expiring at the ensuing Annual General Meeting.

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 23rd Annual General Meeting pursuant to Clause 49 of the Listing Agreement relating to Corporate Governance.



Directors' 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, 2009, 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, 2009 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 a 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 Rs. 562 Lacs for the year 2008-09 as compared to Rs. 504 Lacs for the previous year. The Company has achieved net profit after tax of Rs. 5.74 Lacs as against net loss of Rs. 9.79 Lacs 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.

Corporate Social Responsibility

Our commitment to society is an important part of our value system. We are making constant endeavors to bring improvements in the quality of life of underprivileged communities, especially workers and their families, by supporting a few socio-economic, educational and health initiatives at our project sites. The major activities in these areas include:

- Medical facilities / aid to labourers by sending doctors to labour camps on a weekly basis.
- Free medical check-up for the labourers is conducted at all the sites at regular intervals.
- Doctors are employed on local roll for free medical check-up as well as to meet any emergency due to accident.
- Arranging blood donation camps
- Crèche / Day Care Centre for providing free primary education to the children of workers at few sites.
- Organizing free food, distribution of sweets on festivals and other curricular activities.
- Performing plays related to social awareness such as HIV AIDS, save water, save electricity, childhood marriage etc.
- Distribution of toys, school bags, study materials etc. to the children of workers.
- Sponsorship of libraries in the schools in the nearby areas of project sites.

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

During the year under review, the Company has imparted varied training to its employees in the areas of functional, technical, behavioral, trade skills etc. which will help the employees in improving their skills and competencies and at the same time bring better efficiency in accomplishing overall goals of the Company.

The Company has also sponsored 30 employees for Post Graduate Diploma in the Business Development Course conducted by Ahmedabad Education Society.

Particulars of Employees

The information required under section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of employees are set out in annexure to the Directors' Report.



However, having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all members of the Company and others. Any member interested in obtaining such particulars may write to the Registered Office of the Company.

Statutory Disclosure

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. 930.86 Lacs (P.Y. Rs. 770.99 Lacs) towards Capital Goods, Rs. 2,017.06 Lacs (P.Y. Rs. 1,519.79 Lacs) for Materials, Rs. Nil (P.Y. Rs. 11.38 Lacs) towards Traveling Expenses and Rs. 133.36 Lacs (P.Y. Rs. 138.22 Lacs) towards Interest on Foreign Currency Working Capital Loan.

Auditors & Auditors Report

The Auditors, M/s. Sudhir N. Doshi & Co., and M/s. Kishan M. Mehta & Co. hold office till the conclusion of the forthcoming Annual General Meeting and are recommended for re-appointment. Certificates from Auditors have been received to the effect that their re-appointment, if made, would be within the limits prescribed under section 224(1B) of the Companies Act, 1956.

The auditors' comments on the Company's accounts for the year ended on 31st March, 2009 are self explanatory in nature and do not require any explanation as per the provisions of section 217(3) of the Companies Act, 1956.

Acknowledgement

Your Directors place on record their gratitude to the stakeholders, banks, valued clients, suppliers and business associates for their continued support and confidence. Your Directors also place on record their appreciation of the dedication, commitment and contribution made by employees at all levels and look forward to their continued support in the future as well.

On behalf of the Board of Directors

Hemant Modi
(Vice Chairman & Managing Director)

Suhas Joshi
(Managing Director)

Place: Ahmedabad
Date: May 30, 2009

