



JMC Projects (India) Ltd.
a Kalpataru Group Enterprise

ANNUAL REPORT 2010-11

Leveraging
strengths.
Catalysing tomorrow.



KALPATARU®



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Corporate Information

BOARD OF DIRECTORS

Mr. D. R. Mehta
Chairman

Mr. Hemant Modi
Vice Chairman & Managing Director

Mr. Suhas Joshi
Managing Director

Mr. Mahendra G. Punatar
Director

Mr. Ramesh Sheth
Director

Mr. Manish Mohnot
Director

Mr. Kamal Jain
Director

AUDIT COMMITTEE

Mr. D. R. Mehta
Chairman

Mr. Mahendra G. Punatar
Member

Mr. Kamal Jain
Member

Mr. Ramesh Sheth
Member
(w.e.f. October 6, 2010)

SHAREHOLDERS' GRIEVANCE COMMITTEE

Mr. Kamal Jain
Chairman

Mr. Suhas Joshi
Member

Mr. Hemant Modi
Member

REMUNERATION COMMITTEE

Mr. D. R. Mehta
Chairman

Mr. Kamal Jain
Member

Mr. Mahendra G. Punatar
Member

COMPANY SECRETARY

Mr. Ashish Shah

AUDITORS

Sudhir N. Doshi & Co.
Chartered Accountants, Ahmedabad

Kishan M. Mehta & Co.
Chartered Accountants, Ahmedabad

BANKERS

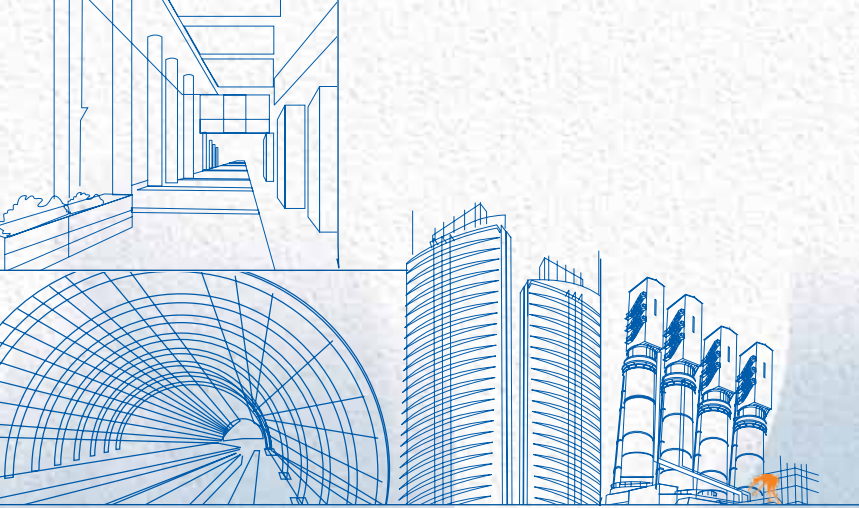
Oriental Bank of Commerce
Karur Vysya Bank Ltd.
State Bank of India
Indian Bank
Punjab National Bank
Axis Bank

REGISTERED & CORPORATE OFFICE

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Ahmedabad - 380 051, Gujarat, India.
Phone: +91-79-3001 1500
Fax: +91-79-3001 1600 / 3001 1700
Email: jmcho@jmcprojects.com

REGISTRAR & TRANSFER AGENT

M/S. Link Intime India Pvt. Ltd.,
Unit: JMC Projects (India) Ltd.,
211, Sudarshan Complex, Near Mithakhali Under Bridge,
Ahmedabad - 380 009, Gujarat, India.
Phone & Fax: +91-79-2646 5179
Email: ahmedabad@linkintime.co.in



Pimpri Chinchvad Flyover Project



If there is one sector that will **shape the modern India** of tomorrow and accelerate its economic momentum it is beyond doubt quality and expeditious infrastructure.

Endowed with a rich legacy of strengths spanning over **three decades**, JMC Projects is accelerating the Indian growth story by being an integral part of the infrastructure sector which will transform the coming decade in the country.

From **building robust urban infrastructure** and helping set the base of modernisation across the rural hinterlands to connecting people and providing them a better quality of life.

A confidence reinforced by our strong foundation of strengths from formulating the **right business strategy** to establishing a culture of trust by dwelling into the finer details of flawless quality and timely deliverables and at the same continuously building our execution capabilities.



Vedanta Aluminium Ltd., Pot Line



Leveraging
strengths.
Catalysing tomorrow.

Jaypee Greens -Town Centre & Star Court



A journey that is charted by achieving the **right diversity** across operations & domains of presence and integrating the **right strengths** to propel the growth trajectory of the company.

The success of the various facets of our business can be traced back to our dedicated and motivated employees.

Right from executing projects in adverse conditions to adhering to strict time schedules **our people power** provides a strong foundation to outperform competitors and fuel future growth.

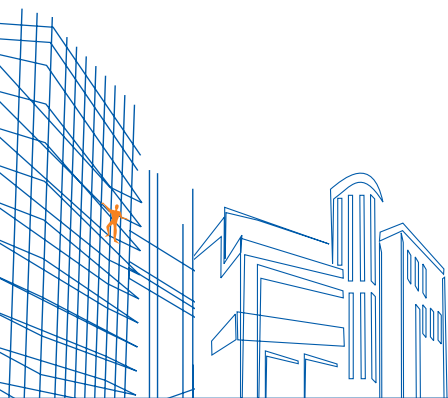
By leveraging our business strengths and our people power, JMC Projects is a fast-growing company poised to take the big league and achieve new dimension of scale and partner India's infrastructure development agenda.

Pandit Dindayal Petroleum University



Neo Pharma Pvt. Ltd., Mumbai





Pimpri Chinchvad Flyover - Launching Girder



JMC Projects (India) Ltd., a part of the Kalpataru Group, is one of the leading civil contracting companies in India. Founded in 1982, JMC is engaged in the execution of civil & structural works for infrastructure & power plant projects, commercial & residential buildings and industrial projects at various locations across the country.

An ISO 9001:2008, ISO 14000: 2004 and BS OHSAS 18001:2007 certified company, JMC's strength has been its commitment to the timely completion of projects with due emphasis on project management, quality and safety.

Armed with a strong workforce of over 3,000 professionally qualified construction managers, engineers and supervisors coupled with the latest construction equipment the Company has executed projects under the most challenging conditions.

Alstom Power Project



KalpaVriksha, Training Centre at Gandhinagar



Sabarmati River Front Development Project



Introduction

MISSION

To be a leader and model corporate participant in the development of the construction industry.

To build, maintain and perpetuate a loyal and continuing relationship with every customer through total commitment to quality, transparent dealings, timely completion, thereby enhancing the values for our stakeholders.

Vedanta Township



Blanket distribution to labourers



Mantri Elegance



DB Mall, Bhopal





Dear Shareholders,

We are perhaps witnessing the formation of a new world order in which India figures prominently with a fast-paced economic growth of over 8% on account of the country's robust domestic demand and investment scenario. To keep the domestic engine going, the Government's decision to augment the infrastructure sector is the most logical move. The large scale infrastructure plans will pave the way to an even stronger economy and has a multiplier growth effect by opening up new markets and in the long run generating more employment opportunities.

The Government has envisaged a mammoth investment of USD 1 trillion during the Twelfth Five Year Plan (2012-17) and it is clear that India's economic prospects will be driven by the future infrastructure investments. This positive scenario augurs very well for your Company.

The year under review witnessed a significant thrust on the infrastructure sector; however, the Company's performance remained muted. Our turnover stood at Rs. 1,374 crores while net profit was Rs. 42 crores. The gap between the actual performance and the envisaged growth was mainly on account of the delay in commencement of some of our projects due to external reasons beyond our control.

Although profit margin was under pressure, there were some key achievements that I would like to share with you.

- In light of the growing capital needs for expansion and long term investments in Build Own Operate Transfer (BOOT) projects, your Company has issued 43.50 lacs equity shares on preferential basis to Kalpataru Power Transmission Ltd. (KPTL) the holding Company. Through this we raised an additional Rs. 90 crores in addition to Rs. 50 crores raised through issuance of Non-Convertible Debentures. This resulted in an increased stake of KPTL to 67.19%.
- We have also bagged our first Design, Build, Finance, Operation and Transfer (DBFOT) road project on a standalone basis from NHAI for the Agra-Aligarh section.
- We carried out construction of the longest track hopper for NTPC at Dadri.
- Awarded our very first railway contract in the state of West Bengal in consortium.

Further, our ability to complete projects well in time ensured absolute client satisfaction. Our achievements were further marked by several award felicitations by industry bodies like Construction Industry Development Council (CIDC), LEED Platinum rating, Council of Safety Professionals in Karnataka (COSPIK) and prestigious clients namely Reliance Infrastructure Ltd.



Message from the Vice Chairman & Managing Director

Success in infrastructure requires not only the best available machinery, cost effective raw material but also the ability to manage and execute project well in time. We are helped in this endeavor by our valuable team of professionals and employees. To further nurture this talent and enable our employees to stay abreast with the industry developments, several training sessions were organised.

Lastly, going forward, we believe our domain expertise in infrastructure gives us the unique ability to capitalise on the future opportunities for developing and executing infrastructure projects in the country or overseas. We are at an inflection point in the expansion of our country's infrastructure on account of our healthy order book which stands at Rs. 4,150 crores.

On a concluding note, I take this opportunity to express my gratitude to all shareholders for their continued trust in the Board of Directors and the Management of the Company. On behalf of the Company, I would also like to thank all our customers, bankers, JV partners, vendors, other business associates and employees for their invaluable support and co-operation in the year gone by and in the years to come.

Hemant Modi

Vice Chairman & Managing Director



“ We believe our domain expertise in infrastructure gives us the unique ability to capitalise on the future opportunities for developing and executing infrastructure projects in the country or overseas. ”



Financial Highlights

(Rs. in lacs)

| Particulars | Financial Year | | | |
|---|----------------|----------|----------|----------|
| | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
| Total Income | 92,062 | 1,31,944 | 1,32,100 | 1,38,672 |
| Growth % | 84% | 43% | 0% | 5% |
| Total Expenditure | 84,764 | 1,21,129 | 1,21,111 | 1,26,800 |
| Operating Profit (PBDIT) | 7,298 | 10,815 | 10,989 | 11,872 |
| Interest | 874 | 2,637 | 2,186 | 2,717 |
| Profit Before Depreciation and Tax (PBDT) | 6,424 | 8,178 | 8,803 | 9,155 |
| Depreciation | 1,655 | 2,983 | 3,482 | 3,950 |
| Profit Before Tax (PBT) | 4,769 | 5,195 | 5,321 | 5,205 |
| Provision for Income Tax / FBT / Deferred Tax | 1,698 | 1,519 | 1,351 | 1,026 |
| Profit After Tax (PAT) | 3,071 | 3,676 | 3,970 | 4,179 |
| Equity Share Capital | 1,814 | 1,814 | 2,177 | 2,612 |
| Preference Share Capital | 2,525 | 2,525 | - | - |
| Net Worth* | 17,054 | 20,195 | 24,993 | 37,200 |
| Long Term Borrowings | 2,846 | 6,928 | 6,866 | 10,254 |
| Short Term Borrowings | 8,434 | 12,716 | 10,125 | 8,412 |
| Total Borrowings | 11,280 | 19,644 | 16,991 | 18,666 |
| Capital Employed (Net Worth + Total Borrowings) | 28,334 | 39,839 | 41,984 | 55,866 |
| Debt Equity Ratio (Total) | 0.66:1 | 0.97:1 | 0.68:1 | 0.50:1 |
| Debt Equity Ratio (Long Term) | 0.17:1 | 0.34:1 | 0.27:1 | 0.28:1 |
| Book Value per Equity Share (Rs.) | 94 | 111 | 115 | 142 |
| Earning per Equity Share (Rs.) | 16.14 | 19.29 | 19.27 | 17.91 |
| Equity Dividend % | 20% | 20% | 20% | 20% |
| Operating Profit % | 7.98% | 8.26% | 8.39% | 8.64% |
| Profit Before Tax % | 5.21% | 3.97% | 4.06% | 3.79% |
| Profit after Tax % | 3.36% | 2.81% | 3.03% | 3.04% |
| Return (Pre-tax) on Average Networth % | 32% | 28% | 24% | 17% |
| Return on Average Capital Employed %** | 24% | 23% | 18% | 16% |
| Order Backlog at the year end*** | 2,08,800 | 1,80,900 | 2,67,100 | 4,15,000 |
| No. of Employees | 2,180 | 2,207 | 2,342 | 3,073 |

* After adjustment of miscellaneous expenditure to the extent not written off & exclusion of Debenture Redemption Reserve.

** For calculating Return, interest is added back in Profit before tax.

*** Includes orders in the name of Joint Ventures.