

# Perform. Persist. Persevere.

Annual Report  
2016-17



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### Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.







# Perform. Persist. Persevere.



*Difficult times disrupt your conventional ways of thinking and push you to forge better habits of thought, performance and being.*

*-Robin S. Sharma, Writer and Leadership Speaker*

The world around us is passing through challenging times. Although the Indian economy is robust enough to withstand global ups & downs, it is striving hard to gain a strong platform for sustainable growth. Construction industry, despite increased spending from government, is seeing few hiccups. A combination of internal challenges & global socio-economic turbulences have temporarily resulted in subdued demand and business activity.

Despite challenging times, we have improved our performance. Our new order booking has increased and harmonised with better commercial conditions. While maintaining our esteemed private clients, we secured numerous projects from various government authorities. We have strengthened our presence in various segments through our performance, thereby generating substantial value for the Company. We resiliently put up a steady performance. Our order inflow grew to a sound ₹ 3,200 crore compared to ₹ 3,000 crore last year. We achieved the 9% margins we had promised, pulling them up from levels of 5% a few years ago.



# We perform.

*"Keep going. Your hardest times often lead to the greatest moments of your life."*

*- Roy T. Bennett, author of The Light of the Heart*

After 3-4 years of weakened demand & challenging global situation, there were several positive signals from markets. Government announced a number of policy measures to inculcate transparency and order into the sector. However, after-effects of demonetisation are still pinching at all levels. Real estate markets across the country, felt the heat due to a combination of factors. However, we have diversified strategically, mitigating risks arising out of over-exposure to any particular segment, and this has helped us sail through troubled waters steadily. The EBITDA and PAT margins rose to ₹ 225.42 crore and ₹ 59.17 crore respectively in FY2017 from ₹ 221.82 crore and ₹ 43.92 crore, respectively, in the previous year.

This was also accompanied with a consistent focus on completion of existing projects and intrepid forays into fresh ones.

# We persist.







*"Have an aim in life,  
continuously acquire  
knowledge, work hard  
and have perseverance to  
realise the great life."*

*- Dr. A.P.J. Abdul Kalam, Former  
President of India and a world-  
renowned Space Scientist*

Strategically, we are strengthening our operations to address both current & future needs of the industry. JMC today has grown into a full-scale infrastructure EPC player, with a presence in a complete bouquet of verticals, serving sectors such as Infrastructure, Urban Infra, MRTS, Water, Healthcare, IT Parks, Townships, Industrial Structures etc. Coupled with stable growth, we are expanding our geographic reach. We are determined to serve our customers better while climbing on value ladder. We are serious about enhancing our presence in emerging economies, which offer us scale & opportunities.

Thus, with adoption of new ideas, technology and processes, we are relentlessly evolving strength by strength.

# We persevere.



# About Us



JMC Projects (India) Limited is one of the leading construction companies, that thrives on its technical strengths built up over a strong foundation of commitment. The Company's capabilities span the entire gamut of construction, including civil & structural, MEP etc. for most segments. At the same time, our collaborative engagement procreates innovation, which ultimately delivers a better and more sustainable future. In a nutshell, JMC's pursuit of excellence with Kalpataru ethos, is manifested through satisfied customers & satisfied employees.

Incorporated in 1986, JMC has played its part in building cityscapes and integrating terrains in the country for the past three decades. We have constructed landmark edifices - including **highways, expressways, bridges, flyovers, townships, tall buildings, hospitals, industrial units, power plants etc.** - across India, partnering the country's progress in good times and in bad. More recently, we have made inroads in international markets too by booking EPC projects from Ethiopia, Sri Lanka and others.

With a strong workforce of over 3,200 professionals, supported with technology and an inspiring work environment,

Over  
**3,200**  
professionals

In international markets  
too by booking  
EPC projects from  
**Ethiopia,  
Sri Lanka**  
and others.

JMC collaborates with all stakeholders and creates a win-win situation for our customers and end-users of facilities that we build. It has always been our mission to achieve excellence through speedy execution, cost efficiency, management of sustainability concerns, safety and compliance to regulatory frameworks.

Due to our strong commitment towards the safety of our people in addition to quality and concern for the environment, we have become one of the few construction companies in India, certified under ISO 9001:2015 (Quality Management), ISO 14000:2004 (Environmental Management) and BS OHSAS 18001:2007 (Occupational Health & Safety).

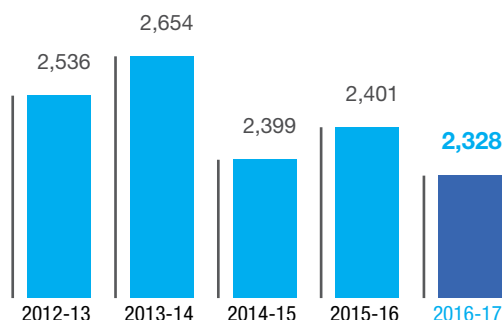
The Company functions out of regional offices located in Bangaluru, NCR Delhi, Kolkata and Mumbai, in which the corporate office is located. The registered office is in Ahmedabad, the city in which the Company was founded.



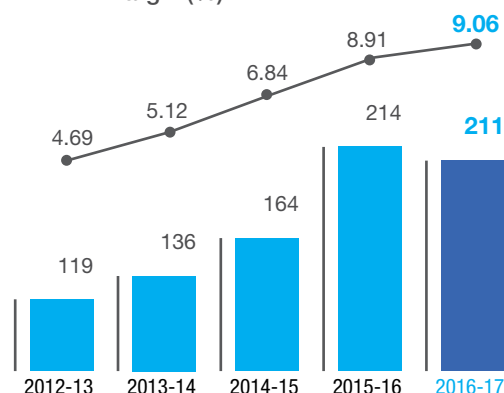
# Financial Highlights

## Turnover

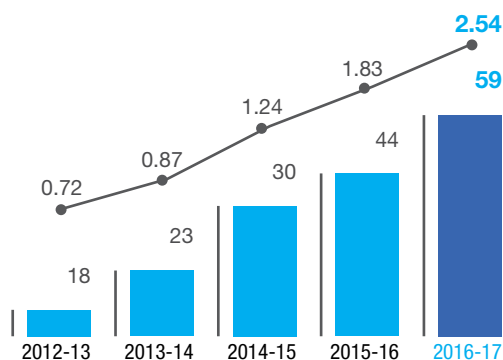
(₹ in crore)



## Core EBIDTA (₹ in crore) & EBIDTA Margin (%)

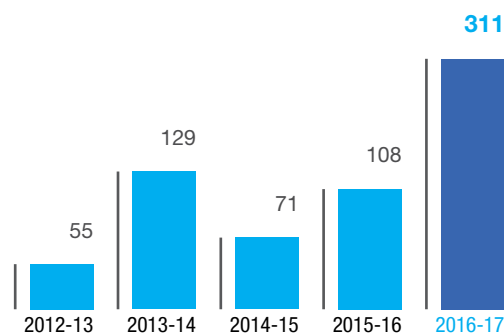


## Profit After Tax (PAT) (₹ in crore) & PAT Margin (%)



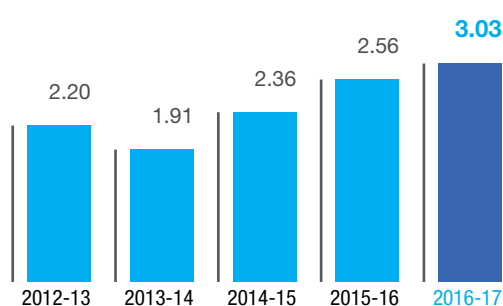
## Operating Cash Flow

(₹ in crore)



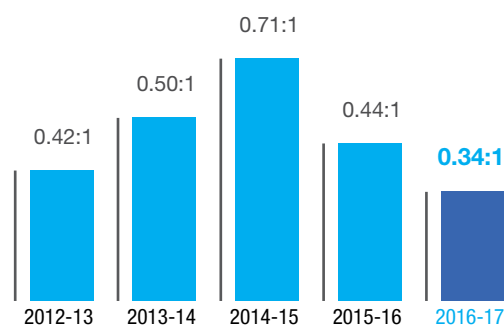
## Order Book to Turnover Ratio

(Times)



## Debt Equity Ratio

(Times)



- The Figures for FY 2015-16 & FY 2014-15 are regrouped as per Ind AS requirement.
- Figures from FY 14-15 onwards as per IND AS.
- Other income as well as Other comprehensive income is excluded from EBIDTA.

# CEO's Message



“Our objective is to evolve as a much stronger, efficient & a preferred construction partner for our customers”

## DEAR SHAREHOLDERS,

I am happy to present the 31st Annual Report of your Company for FY 2016-17.

I am pleased to share with you the fact that your Company is progressively building a bright future on earlier hard work. Management is taking all the necessary steps to strengthen all elements of your Company so that it is prepared to withstand the future challenges. Your Company has consolidated & fortified its position in strategic sectors such as highways, urban infra, complex buildings & industrial units etc. Our international aspirations & delivery commitments have helped us firm up and gradually spread our footprints in select global geographies. Today, the order book stands justly distributed in Infrastructure (Urban Infra, Water & Area Development etc.), Buildings (Housing, Commercial, Institutional, Hospital etc.) and Industrial segments.

At a macro-economic level, the Indian economy has proven that it is resilient enough to absorb ups & downs resulting from socio-political incidences & global turbulences. While India's GDP growth rate stands at about 7.1% during FY 2016-17, various financial institutions have indicated that GDP growth rate shall touch 7.5% in FY 2017-18. Efficient implementation of progressive reforms such as introduction of GST, formation of RERA, further easing of FDI norms in construction etc. are expected to foster healthy growth. Increased infrastructure investment is going to be an important source of increased consumer demand through job creation. Currently, the Union Budget sets infrastructure spending at about 8% of GDP, with an aim of increasing it to about 10-11%. Undoubtedly, infrastructure is a priority sector for the government. Government needs to strengthen the regulatory mechanism in a fair manner so that the private sector adds more value to the growth story of our country.

During the previous fiscal year, benign oil and commodity prices have helped improve our country's public finances. Housing, urban infrastructure & area developments are fundamental for our country's growth and well-being. Finance Ministry has allocated about ₹ 4 Lakh crore for creating & upgrading our country's infrastructure in FY 2017-18, out of which, an allocation of about ₹ 67,000 crore for the national highways in FY 2017-18, about 16% higher than previous year. Several water & city upgradation opportunities are coming up under various government schemes such as AMRUT, Smart





Cities Mission etc. Under RERA, the real estate & construction community is anticipated to get further organised, providing a much-required boost to the sector. Some of the leading global corporations have committed to invest & establish their manufacturing set-ups in various parts of our country under Make in India programme.

Our ambition is to contribute actively in these programmes and evolve as a much stronger, efficient & a preferred contracting partner. Your Company is continually improving processes and performance in critical areas like design & engineering, execution, quality, project monitoring etc. This year, we have taken up a business transformation exercise through SAP. World-class SAP ERP system shall be up & running by this year. Technology, though capital intensive, is helping us significantly to progress towards our goals.

Having said this, we also understand that taking up new challenges is a breathtaking exercise. Incessant issues such as pressure on margins, rising costs, scarcity of reliable manpower & their availability are pinching us. Following approaches in addressing these issues shall strategically build a better future:

1. Overall strengthening of technical competence & capability with special focus on the entire value chain of construction projects.
2. Enhancing customer satisfaction levels to become a preferred contractor & thereby securing repeat orders.
3. Strong relationship-building with consultants, specialists, partners, vendors, suppliers etc.
4. Technological upgradations & full leverage of IT-enabled applications.

## PERFORMANCE OVERVIEW

I am glad to share with you the progress we have made so far on the execution of our strategy. Order inflows clocked in at ₹ 3,200 crore during the year. The unexecuted Order Book at the year-end stands at ₹ 7,000 crore. This provides to continue with a healthy revenue and margin visibility ahead. Total Income from operations had a marginal decrease of 3% over previous year to ₹ 2,342.7 crore. Profit after Tax stood at ₹ 59.2 crore, up 35% from ₹ 43.9 crore last year.

The new accounting standards – Ind AS, have become effective from April 1, 2016 and the financial statements

presented in this Annual Report comply with these new accounting standards.

It gives me pleasure to announce that your Company has recommended a dividend of ₹ 1.50 per equity share on a face value of ₹ 10 per share for the year. The corresponding dividend during the previous fiscal was at ₹ 1 per equity share.

I place my sincere appreciation for the dedication, commitment and hard work put in by our employees at all levels and look forward to receive their trust, support and encouragement as we head for another challenging & exciting year. I also, express my gratitude towards joint venture partners, customers, and business associates for their relentless support. Finally, a big vote of thanks to all our shareholders for their continued belief in us.

**SHAILENDRA KUMAR TRIPATHI**

*CEO & Deputy Managing Director*

# Board of Directors

## MR. D. R. MEHTA

### Chairman – Independent Director

Mr. D. R. Mehta, B.A., LL.B and Management Graduate of Royal Institute of Public Administration, London and Alfred Sloan & School of Management MIT - Boston, USA, joined the Indian Administrative Service in 1961. He has rich experience of more than 40 years, during which, he held various important positions in Government of Rajasthan, Government of India. He was Deputy Governor of RBI, Chairman of SEBI etc. Mr. Mehta has been appointed as Non-Executive and Independent Director as well as Chairman of the Company w.e.f. December 11, 2008.

## MR. SHAILENDRA KUMAR TRIPATHI

### CEO & Dy. Managing Director

Mr. Shailendra Kumar Tripathi, is a Civil Engineer from Government Engineering College, Jabalpur, Madhya Pradesh. Since passing out in 1984, he has worked in major Infrastructure companies like Gammon India, Larsen & Toubro Limited and Oriental Structural Engineers Private Limited. He started off as a site execution and planning engineer and went on to head the implementation and construction of many infrastructure projects in the country involving highways and airports. His technical, strategic decisions and leadership skills coupled with his sound financial and business sense has helped him in securing and successfully implementing many projects in Public Private Partnership model. He joined JMC Projects (India) Ltd in 2008 as the President & COO of the Infrastructure Division and thereafter, was appointed as Executive Director w.e.f. October 22, 2011 and as Deputy Managing Director w.e.f. May 18, 2012.

## MR. MANOJ TULSIAN

### Whole-time Director & CFO

Mr. Manoj Tulsian, is a qualified Chartered Accountant, Company Secretary and Cost & Works Accountant. He has more than 22 years of experience in the field of Finance, Taxation, Legal, Corporate Affairs, Merger & Acquisition and Secretarial matters. He has served organisation such as VIP Industries Limited, Gabriel India Limited and Bansal Group. He has been appointed as Whole-time Director of the Company w.e.f. May 27, 2016.

## MR. SHAILENDRA RAJ MEHTA

### Independent Director

Mr. Shailendra Raj Mehta, has done Bachelor of Arts from St. Stephen's College and Master of Arts from the Delhi School of Economics, M.Phil from Balliol College, Oxford University and his Ph.D. in Economics from Harvard University. He is currently the President & Director of Mudra Institute of Communications (MICA). Earlier to this, he served as Chairman of the Board of Management of Auro University, Provost/Vice Chancellor of Ahmedabad University and also Visiting Professor of Business Policy at the Indian Institute of Management, Ahmedabad. He has done extensive research in the areas of Entrepreneurship, Industrial Organisation, Information Economics and Experimental Economics. He has been associated with reputed organisations such as IBM, Honeywell, Microsoft, Infosys, State Bank of India and others. He has been appointed as Non-Executive and Independent Director of the Company w.e.f. February 8, 2012.