



KALPATARU®



JMC Projects (India) Ltd.

A Kalpataru Group Enterprise

# Learning From Yesterday. **Building For Tomorrow.**



Annual  
Report  
**20**<sub>18</sub><sup>19</sup>

JMC Projects (India) Ltd.

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this report online on:

[www.jmcprojects.com](http://www.jmcprojects.com)

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## Learning From Yesterday. **Building For Tomorrow.**

The results of past couple of years demonstrate that JMC is delivering a positive change and now have a solid foundation for future profitable growth. We have improved our profitability and significantly exceeded targets. We have upgraded capabilities, processes and controls while continuing to invest in latest equipment and technologies. As a result, we have improved not just the financial performance but have also sharpened our project management skills for superior execution and supreme project delivery.

At JMC, we believe that the road to success might be difficult but at the end it can be reigned. Our perseverance to imbibe change and continuous learning has helped us to successfully navigate through one of the most challenging phases in our existence. By focusing on selected markets and by diversifying into strategically important infrastructure businesses, we have been winning new business on improved terms. The obstacles that affected our progress are been steadily worked through and we have maintained one of the best performance in the sector. We have grown from strength to strength, vertical to vertical and most significantly from footprints to an indelible impression.

Owing to our deep domain knowledge and capabilities and sustained focus on strengthening processes and systems related to quality, safety and technology, we have gained status of a preferred contractor with many of our clients, who trust us for relentless execution, timely delivery and unmatched quality.

Our strategy is to further strengthen JMC's position in core markets and expand our footprint in under-penetrated sub-verticals within the infrastructure business, while improving profitability and adopting a rigorous risk management approach. Our businesses are flexible, allowing us to quickly adapt to varying market conditions in Building & Factories (B&F) and infrastructure business. We will continue to invest in developing new capabilities, operational excellence, digitalisation and people development in order to make JMC a force to reckon in the construction and infrastructure sector. JMC's diversified portfolio offerings and capabilities spread across buildings, factories and infrastructure businesses makes it well positioned for future growth. Strategically, JMC is best positioned today than has been the case for many years.



*Residential & Commercial Projects in South India*

# JMC at a Glance

JMC Projects (India) Ltd., a subsidiary of the Kalpataru Power Transmission Ltd. (KPTL), is engaged in the execution of civil and structural works for commercial, residential and institutional buildings, government infrastructure projects, power plant projects and industrial projects. JMC has end-to-end capabilities to execute civil works, design & build composite works, MEP, HVAC, structural works, finishing works, utilities, area development etc. JMC also has four road BOOT projects that are fully operational on full toll and full length basis.

## CORE VALUES



Footprints in

**India, SAARC,  
Africa**

Delivered over

**150+ Mn sq.ft**

Development work

Over

**3,700+**

Employees

First EPC Company  
to implement

**SAP S4HANA  
1610 with CPM**

Certified under

**ISO 9001:2015,  
ISO 14001: 2015,  
ISO 18001:2007**



## BUSINESS PRESENCE

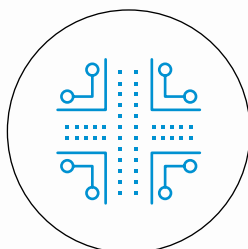
### BUILDINGS

RESIDENTIAL  
COMMERCIAL  
INSTITUTIONAL  
RECREATIONAL



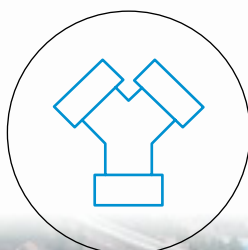
### TRANSPORTATION

HIGHWAYS  
ELEVATED CORRIDORS  
RAILWAYS  
METRO RAIL



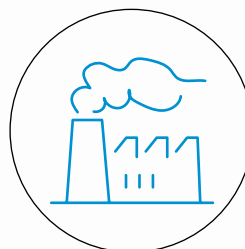
### WATER

INTAKE & TREATMENT  
PIPELINE TRANSMISSION  
STORAGE & DISTRIBUTION  
IRRIGATION



### INDUSTRIAL

POWER PLANTS  
INDUSTRIAL PLANTS  
FACTORIES  
AREA DEVELOPMENT



### URBAN INFRA

TRANSIT TERMINALS  
MULTI-LEVEL CAR PARKS  
RAILWAY STATIONS  
AIRPORTS



*Township Project in South India*



# Financial Highlights

	(₹ in Crores)				
Standalone	2014-15	2015-16 <sup>#</sup>	2016-17	2017-18	2018-19
Total Income	2,413	2,409	2,343	2,773	3,278
Growth (%)	-9.4	-0.2	-2.8	18.4	18.2
Total Expenditure	2,237	2,186	2,118	2,471	2,916
Operating Profit (PBDIT)	177	223	225	302	362
Core EBITDA*	163	214	211	285	337
Interest	84	105	84	86	95
Depreciation	49	52	57	72	78
Profit Before Tax (PBT)	44	66	84	145	189
Provision for Income Tax / FBT / Deferred Tax	14	22	26	39	46
Profit After Tax (PAT)	30	44	58	106	143
Total comprehensive income for the period	30	44	56	105	148
Equity Share Capital	26	34	34	34	34
Net Worth	446	638	690	789	923
Long-Term Borrowings	316	282	231	314	391
Short-Term Borrowings (including current maturity of long-term debts)	420	454	406	422	375
Total Borrowings	736	736	637	737	766
Capital Employed (Net Worth + Total Borrowings)	1,182	1,374	1,327	1,526	1,689
Debt Equity Ratio (Total)	1.65:1	1.15:1	0.92:1	0.93:1	0.83:1
Debt Equity Ratio (Long-Term)	0.71:1	0.44:1	0.34:1	0.40:1	0.42:1
Book Value per Equity Share** (₹)	34.1	38.0	41.1	47.0	55.0
Earnings Per Equity Share** (₹)	2.2	3.2	3.5	6.3	8.5
Equity Dividend (%)	10	10	15	30	35
Core EBITDA Margin (%)	6.8	8.9	9.1	10.3	10.4
Operating Profit (%)	7.4	9.3	9.7	10.9	11.1
Profit Before Tax (%)	1.8	2.7	3.6	5.2	5.8
Profit After Tax (%)	1.2	1.8	2.5	3.8	4.4
Return (Pre-tax) on Average Networkth (%)	9.8	12.2	12.6	19.6	22.0
Return on Average Capital Employed (%)***	12.4	13.4	12.4	16.2	17.7
Order Backlog at the year end****	5,653	6,149	7,047	7,616	9,962
No. of Employees	3,523	3,360	3,279	3,324	3,781

<sup>#</sup> The Figures for the 2015-16 is regrouped as per Ind-AS requirement.

\* Core EBITDA = Operating Profit (PBDIT) - Other Income.

\*\* In 2018-19, the Company has sub-divided the face value of equity share from ₹ 10.00/- each to ₹ 2.00/- each. The record date for sub-division was 5th October 2018. Book Value per Equity Share and Earning Per Share (EPS) of previous period have been restated.

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

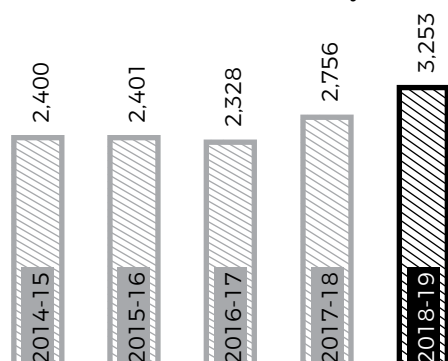
\*\*\*\* Includes orders in the name of Joint Ventures.

### Sales

(₹ in Crores)

**8%**

5-year CAGR

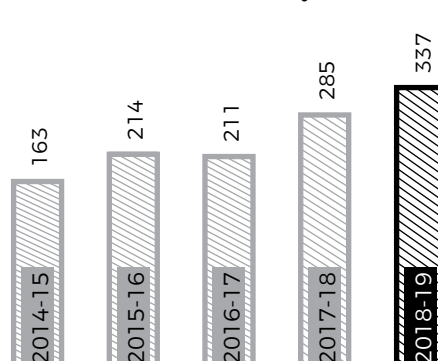


### Core EBITDA

(₹ in Crores)

**20%**

5-year CAGR

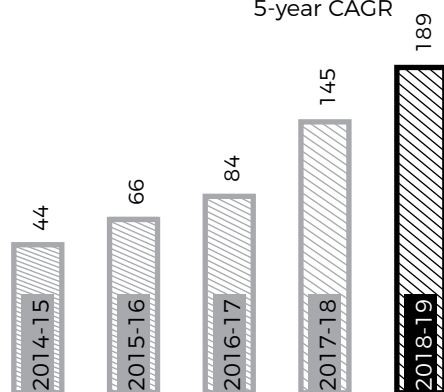


### PBT

(₹ in Crores)

**44%**

5-year CAGR

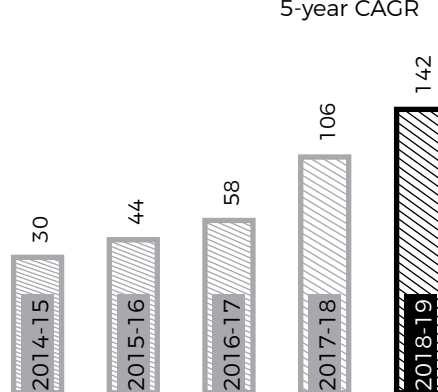


### PAT

(₹ in Crores)

**48%**

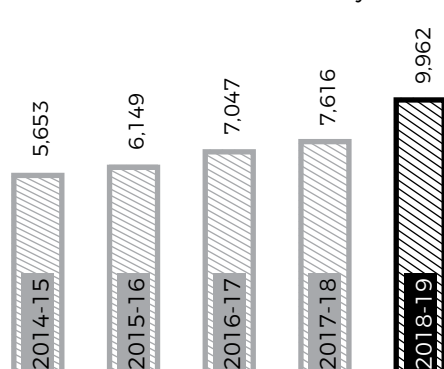
5-year CAGR



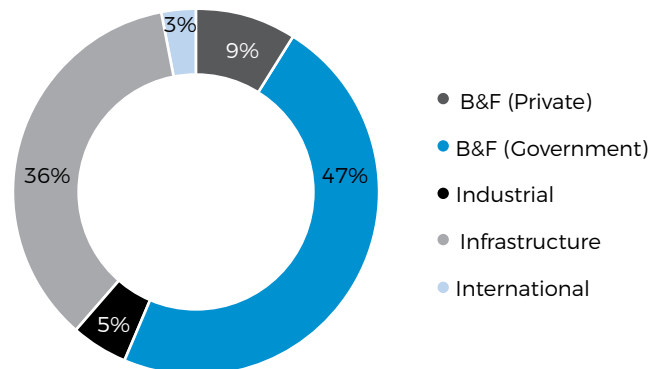
### Order Book

**15%**

5-year CAGR



### Order Book Composition as on 31<sup>st</sup> March 2019



## Message from CEO



The financial year 2018-19 has been a momentous year for JMC as far as order inflows are concerned. We received new orders of ₹ 3,152 Crores in B&F business and ₹ 2,477 Crores in infrastructure business.







**JMC reported revenue growth of 18% to ₹ 3,253 Crores driven by well-planned execution across both Buildings & Factories (B&F) and infrastructure business.**



**Dear Shareholders,**

It is a moment of great pleasure for me as I write to you about JMC's performance in the 2018-19. The financial year 2018-19 has been memorable one and has positively emerged as a year of many 'firsts'. We ended the year on a bright note, as we created the milestone of ₹ 3,253 Crores in revenue, ₹ 143 Crores in PAT and ₹ 9,962 Crores in order book. This is a source of great pride for all of us at JMC and in fact, it is one that signifies our strength and capabilities in the businesses we operate in. Our achievements over the past few years also confirms that JMC is heading in the right strategic direction with greater expectations of us as a Company and new ambitions which we must fulfil

in order to keep growing in our role as a respected civil contracting and EPC Company.

While keeping a steady focus on the business's current performance, we also remain attentive towards putting our drivers for growth in the accurate places. In the current scenario, it implies a pointed focus on areas like prudent diversification within EPC segments, higher share of international revenue, better capital management and leveraging technology and digitalization that shall enable us to achieve greater operational efficiency. These drivers will help us to deliver benefits appropriate to each of our stakeholders and at the same time, shall aid in maintaining a definite level of growth and efficiency that effectively leads to sustainable and profitable earnings for our shareholders. Additionally, it allows us to offer our employees to work in an environment that is innovative, safe, ethical and rewarding.

**Strong performance across businesses**

Operationally, the Company performed well across all the business verticals and majority of the financial parameters. For 2018-19, JMC reported revenue growth of 18% to ₹ 3,253 Crores driven by well-planned execution spread across both Buildings & Factories (B&F) and infrastructure business. Our core EBITDA grew by 18% to ₹ 337 Crores and PAT grew by 34% to ₹ 143 Crores backed by focused execution, several cost optimization initiatives and focused working capital management.

The financial year 2018-19 has been a momentous year for JMC as far as order inflows and the order book is concerned. We received new orders of ₹ 3,152 Crores in B&F business and ₹ 2,477 Crores in infrastructure business. The Order Backlog as of 31<sup>st</sup> March 2019 stood at ₹ 9,962 Crores compared with ₹ 7,616 Crores in the previous year.



On a consolidated basis, our revenues have increased by 18% to reach ₹ 3,407 Crores in 2018-19. PAT for 2018-19 stood at ₹ 77 Crores, marked by an increase of 185%.

### Strategic progress

We continue to strengthen our execution capabilities and reaffirm market share in our B&F business across select growth markets, leveraging our strong project management skills, quality deliverables, established systems and client relationship. We are continuously exploring and examining opportunities to work more on projects that are large in size and are composite in nature. This year JMC recorded reasonable progress in expanding its client base and has been able to secure new clients in the B&F business.

Our focus on the infrastructure development opportunities in India continues to remain high during the year, we strengthened our presence in the strategic sectors like water, urban infrastructure, roads and bridges. JMC is well positioned to take advantage of rapid infrastructure development in India given its strengths, experience and domain expertise across various segments of infrastructure.

Our successful foray into the international business has made us strongly believe that this could be one of the biggest growth drivers for JMC in the coming years. During the year, we evolved our international business strategy and strengthened our business development efforts. We are confident about expanding to several new countries in the next couple of years across Africa and SAARC markets. We will continue to leverage KPTL's strong presence in international markets and will look for more multilateral funded projects in the infrastructure and B&F domain.

With an aim to boost digital and technology adoption, the last year witnessed the implementation of the most advanced SAP based transformation project to drive process efficiencies. We also undertook numerous initiatives to support and make our project management more integrated so that our project delivery materializes on time, within budgets and complies with superior quality and sustainability norms. During 2018-19, we undertook new, dynamic and crucial initiatives in areas related to project monitoring, plant and machinery, procurement, supply chain management and logistics to accelerate digital transformation and operational excellence, which shall seek to actively drive our goal to increase efficiency, improve profitability and advance project controlling.