



JMC Projects (India) Limited

**ENGINEERS & CONSTRUCTORS
(A Kalpataru Group Enterprise)**

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TRANSCRIPT OF THE 34TH ANNUAL GENERAL MEETING (AGM) OF JMC PROJECTS (INDIA) LIMITED

Day & Date of Annual General Meeting : Tuesday, August 11, 2020
Time & Mode of the Annual General Meeting : 11.00 a.m. IST through VC / OAVM

Mr. D. R. Mehta – Chairman & Independent Director:

Dear Members and my distinguished colleagues, Good Morning to everyone.

Myself D. R. Mehta, Chairman & Independent Director, Chairman of the Audit Committee and Corporate Social Responsibility Committee, joining this meeting from Jaipur, India.

I welcome you all to the 34th Annual General Meeting of JMC Projects (India) Limited. This is historic AGM in the sense that it is being conducted through Video Conferencing or Other Audio Visual Means as permitted by the Ministry of Corporate Affairs & SEBI vide their respective circulars in view of the unprecedented COVID-19 pandemic period. On behalf of the Board of Directors, I wish to thank you all for taking the time out to join us today. I hope all of you are safe and in good health.

It is hereby confirmed that requisite members are participating through VC in this meeting. The Company has received 1 (one) authorization under Section 113 of the Companies Act, 2013 representing 11.37 Crore Equity Shares of Rs. 2/- each fully paid-up, which is equivalent to 67.75% of the total paid up capital of your Company. We have the requisite quorum present through video conference to conduct the proceedings of this meeting. Participation of members through video conference is being reckoned for the purpose of quorum. The quorum being present, I call this meeting to order.

Now, I request each Director & KMP to introduce themselves from their respective places.

Ms. Anjali Seth: This is Anjali Seth, I am an Independent Director and member of the Audit Committee. I am joining the Annual General Meeting of JMC from Mumbai, my residence. I wish all of you very best.

Mr. Hemant Modi: Myself Hemant Modi, Non-Executive Director, joining this meeting from Ahmedabad, India. Thank you.



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Mr. Kamal Jain: Myself Kamal Jain, Non-Executive Director and Chairman of Stakeholders Relationship Committee, joining this meeting from Gandhinagar, Gujarat State, India. Thank you.

Mr. Manish Mohnot: Myself Manish Mohnot, I am joining this meeting from Bombay. I am a KPTL Nominee Director on Board.

Mr. S. K. Tripathi: Myself S. K. Tripathi, CEO & Dy. Managing Director, joining this meeting from Mumbai office, India.

Mr. S. R. Mehta: I am Shailendra Raj Mehta, Independent Director and Chairman of Nomination & Remuneration Committee, joining this meeting from Ahmedabad, India. Thank you.

Mr. Vardhan Dharkar: Good Morning, I am Vardhan Dharkar, I am Chief Financial Officer of the Company. I am joining this meeting from Mumbai, India. Thank you.

Mr. Samir Raval: Good Morning to all of you. I am Samir Raval, Company Secretary, joining this meeting from Mumbai, India.

Mr. D. R. Mehta – Chairman & Independent Director:

We also have with us Representatives with us of M/s. B S R & Co. LLP, Statutory Auditors of the Company and Representatives of M/s. Parikh & Associates, Secretarial Auditors and Scrutinizer for conducting the remote e-voting and the e-voting process during the AGM in a fair and transparent manner.

I now request Mr. Samir Raval, Company Secretary to provide general instructions to the members regarding the participation in this meeting.

Mr. Raval please.

Mr. Samir Raval – Company Secretary:

Good Morning to all the members participating this meeting through video conferencing.

Members may note that this Annual General Meeting is being held through video conferencing & Other Audio Visual Means with respect to relevant circulars issued by the Ministry of Corporate Affairs and the SEBI. Facility for joining this meeting through video conferencing is made available for the members on a first-come-first-served basis. Register of Directors and Key Managerial Personnel and their Shareholding, Register of Contracts or arrangements in which the Directors are interested and other documents are available for inspection by the members electronically. As the AGM is





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held through video conferencing, the facility for appointment of proxy by the members was not applicable.

The Company has received few questions through email from the members seeking information about the operation/performance/prospects of the Company. Accordingly, the same would be addressed by CEO & Dy. Managing Director during his address to the members.

The Company had provided the facility to cast the votes electronically i.e. remote e-voting, on all the resolutions set forth in the Notice convening 34th AGM. The remote e-voting was available to the members from 09:00 a.m. IST on August 08, 2020 to 05:00 p.m. IST on August 10, 2020. Members who have not cast their votes through remote e-voting and who are participating in this meeting will have an opportunity to cast their votes during the meeting through the e-voting system provided by CDSL. The Company has appointed Mr. Mitesh Dhaliwala, Partner of M/s. Parikh & Associates, Practicing Company Secretaries, as a Scrutinizer for conducting the remote e-voting and the e-voting process during the AGM in a fair and transparent manner. Members are requested to refer instructions provided in the AGM Notice for seamless participation. In case members face any difficulty, they may reach out on the helpline numbers as mentioned in the AGM Notice.

Now, I would request Mr. S. K. Tripathi, CEO & Dy. Managing Director to carry on the further proceedings of this AGM.

Over to Shri S. K. Tripathi Sir.

Mr. S. K. Tripathi, CEO & Dy. Managing Director:

Dear Shareholders,

Good Morning.

On behalf of JMC Board of Directors, I heartily welcome all of you to this 34th Annual General Meeting of your Company being conducted through the Video Conferencing. This gives me an opportunity to appraise you about the Company's performance during the preceding financial year and the way forward in the pandemic period.

Over the three decades, JMC has emerged as one of the leading civil construction EPC Company in India. JMC is renowned for its excellent execution skills, adherence to safety and quality standards and efficient use of advanced technology. The Company's presence spans across residential complexes, townships, hospitals, hotels, commercial complexes, factories and buildings, water supply and irrigation, roads and highways, urban infrastructure, industrial units and power plants.





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The Company also aims to contribute towards the sustainable nation building efforts and improve the reach in international markets. Presently, JMC carries out operations in the SAARC and the African Continent. The Company expects to receive more orders from the international markets and eventually, contribute towards the growth of the industry. With overall development in India's infrastructure, JMC is well placed to take advantage of the same and further strengthen its roots in the Country.

The year 2019 was a challenging year for the global economy. The ongoing trade war between the US and China, geopolitical tension between the US and Iran leading to rise in the crude oil prices and Brexit affected the GDP growth rate. The GDP is estimated to be 2.9% in 2019, down from 3.6% in 2018. This downturn of the global economy was also due to slowdown in the manufacturing sector across the globe, with diminishing demands and lower consumption.

The year 2020 is expected to be yet another challenging year mainly due to the recent outbreak of the corona virus. The virus has brought the global economy to a standstill with major disruptions in manufacturing and supply. As a result of the pandemic, the global economy is projected to contract sharply by 3% in 2020, much worse than during the 2008 financial crisis. In a baseline scenario (which assumes that the pandemic fades in the second half of 2020) the global economy is projected to grow by 5.8% in 2021 as economic activity normalizes, helped by the policy support.

The Indian economy grew by 4.2% in 2019-20 compared to 6.1% in 2018-19, the weakest since the financial crisis hit more than a decade back. The decline in the GDP growth rate was due to the slowdown across all the sectors of the economy, especially manufacturing. This slowdown also led to the lower spending by the consumers resulting lower demand & consumption of goods and services across the Country.

The growth outlook for India is weak due to the coronavirus outbreak and the subsequent lockdown that created significant hurdles for manufacturing, supply and distribution channels. According to S&P Global Ratings, India's GDP is expected to shrink by 5% in 2020-21 owing to the current situation. However, GDP growth rate is expected to pick up 8.5% in the following fiscal 2021-22.

JMC saw disruptions in its operations due to Covid-19 pandemic in March, 2020 which impacted the financial performance of the fourth quarter and consequently for full 2019-20. Our revenue from operations increased by 14%, from ₹ 3,252 Crores in 2018-19 to ₹ 3,713 Crores in 2019-20. Growth was supported by well-planned execution in Buildings & Factories (B&F) and infrastructure business. Our core EBITDA increased by 22% to ₹ 411 Crores in 2019-20, as compared to ₹ 337 Crores in the previous year. Our EBITDA margin increased by 70 basis point to reach an all time high of 11.1% in 2019-20 due to a favourable project mix, focus on timely completion and various cost optimization initiatives.





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This performance has been supported by our relentless focus on building our capabilities, disciplined approach to bidding, diversifying in selected profitable markets, foraying into newer geographies, providing the best-in-class project delivery and improving profitability.

Our order book remains firm and well diversified across B&F and Infrastructure business. We have made concentrated efforts to diversify our order book within B&F business by focusing more on the commercial and institutional buildings. In 2019-20, we received an order of ₹ 3,364 Crores taking an order book value to ₹ 9,546 Crores as on 31st March, 2020.

Infrastructure development always has been a crucial driver of the economic growth. The Government has continuously focused on Country's infrastructure development. The report of National Infrastructure Pipeline Task Force estimates the total infrastructure investment of ₹ 111 Trillion during the period 2020-25. This also along with several other development plans augurs well and provides significant growth opportunities for the civil construction EPC Companies.

Over the past decade, our strategy to focus on selected market and the clients with sound basis for long-term growth and profitability has paid off well and our financial and operational metrics have improved. Our focus to maintain a disciplined bidding approach for winning new business enables us to sustain long term profitable work instead of chasing the revenue growth.

We have recorded substantial progress in expanding our client base, especially in the commercial and institutional B&F business. We continue to secure repetitive orders in the B&F clients, which is testimony to our impeccable reputation for customer relationship and outstanding service, timely delivery and immaculate quality. Our international business strategy continues to evolve, combined with the dedicated business development efforts. We are confident about expanding to several new countries in the coming year across Africa and SAARC.

We at JMC believe, a motivated workforce is the biggest differentiator for any organization and we aim to foster a diverse work culture that is inclusive and accommodating. We understand that our people are fundamental to our operational success. Therefore, we try to nurture a workplace that is engaging, reward performances and is safe and encourages inclusion. The Company continued its focus on retention and development of the talent, launching various training programs leveraging digitalization. We have also implemented Human Capital Management resource to transform our HR practices and deployed best industry practices to effectively manage our human resource.

In conclusion, I thank all the members for sparing their most valuable time by participating in this meeting. We look forward to keep up this continued support and confidence. On your behalf and on behalf of the Board of Directors, I would like to





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congratulate each member of the JMC Family for their sincere unflinching contribution and commitment towards the financial performance and growth of the Company.

My best wishes to all of you and be safe in the COVID times.

Thank you very much.

With the permission of the Members present here, the Notice convening the 34th AGM, Board's Report and its Annexures and Audited Financial Statements for the financial year ended March 31, 2020 as circulated are taken as read.

The Statutory Auditors' Report to the Members for the Annual Audited Financial Statements for the Financial Year 2019-20 doesn't have any qualification, adverse remarks or observation. Accordingly, with the permission of the Members present, the same is taken as read.

As there is no qualification, adverse remarks or observation in the Secretarial Audit Report and hence, the same is taken as read.

Now, I move the resolutions proposed in the Notice of 34th AGM one after the other.

ORDINARY BUSINESS:

RESOLUTION NO. 01 for adoption of Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2020.

RESOLUTION NO. 02 for declaration of final dividend at the rate of 0.70 paise per equity share of face value of Rs. 2/- each fully paid up for the financial year 2019-20.

RESOLUTION NO. 03 for Appointment of Mr. Kamal Jain, as Director, liable to retire by rotation.

SPECIAL BUSINESS:

ORDINARY RESOLUTION NO. 04 for ratification of remuneration of Cost Auditor of the Company for financial year 2019-20.

ORDINARY RESOLUTION NO. 05 for ratification of remuneration of Cost Auditors of the Company for the financial year 2020-21.

Now, I would like to address the questions raised by the members of the Company through e-mail.





The question is from Mr. Vishvam Raval

What is the impact of COVID-19 pandemic on the Company's operations so far? and What is the present and proposed for FY 2020-21 order book position of the Company?

So, Company's operations are definitely impacted right from the fourth quarter of the last year and further affected during the quarter 1 and it is likely to prolong up to quarter 2. We can expect some level of normalcy from quarter 3 this year onwards. Order book position is strong for 2020-21 as even with the slowdown in the economy but our order have been during the quarter 1 as well as has been quite strong. So, order book should not be an issue going forward.

The next question is from Mr. Yogesh Shah

What will be Company's growth trajectory going forward and What is Company's strategy for international expansion?

As we said earlier, we are totally focused on the international expansion and we expect to break into some more geographies this financial year apart from where we are already working.

The next question is from Mr. Dinesh Kotecha

1] When your business is not making money means flaws. Projects are stuck up [behind schedule]. would like to know the position of such delayed projects and position as on date. What is the cost and time beating or loss therefrom.

So, I will answer this first before going to the next question.

As happens in our business, there are Projects which are stuck but overall we have to look at the basket and overall the Company's performance. So, the projects which are stuck whether it is the contractual remedy or legal remedy is been taken and this is a continuous process in our business so we are handling it through the very strong contract and legal team so that should not be a matter of concern.

Second question,

Do we have escalation clause in each and every project undertaken. Is revoked? in how many projects?

So, our 99% contracts are with the escalation provision and it is not revoked in spite of where even the projects are delayed. Customers are continue to pay the escalation.

2] What unlearning and relearning experience have you put on record during this continuing covid19 period?





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The learning is that we have to be cautious in our bidding and we have to chase the sensible customer with the sensible bidding to get the right bottom line rather than chasing the top line. This is the learning which we are going to continue in future and particularly in the COVID – 19 times, the next learning is adaption of the technology which I think across the Company it has gone very well and today even with the offices not running no business has been interrupted. We are been working seamlessly across all the regional offices across all the projects sites.

3] what is the story of JMC from 1-4-2020 till now. what was the business landscape in the last 5 months. Explain 3 to 5 years growth plans.

So, story from 2020, yes we have overcome the first three months which was the survival crisis for everyone. During these three months, our order inflow has been good and I will say that it has been a good learning story and we have grown stronger from here from the COVID and we have emerged as a stronger team, stronger Company due to this crisis.

Business scape in last 5 months, yes I mean as we have said that revenues have taken the beating because of the complete work was halted for one and half months but now gradually are moving towards the normalcy.

3 to 5 year business plan, as we said earlier that next two to three years, we should grow in the range of five to fifteen percent depending on the situation and how COVID fans out and our growth plans remain in that range, of course with the diversification into various businesses.

4] talk about size of opportunity?

As we said in my previous address that the National Infrastructure pipeline alone is 111 trillion so I think opportunity is huge and we are placed very well to harness this opportunity going forward.

5] There are some disputes cases of law as mentioned in auditors report / brief about them as on date shall be appreciated.

These are general routine matters, there is nothing specific to be mentioned here.

6] Are there any merger plans with the parent co?

Not, we don't see any plan on the table at the moment.

That's it. Over to Samir.





Mr. Samir Raval, Company Secretary:

Yes Sir, thank you very much.

Members may please note that the voting on the CDSL platform will continue to be available for the next 15 minutes time. Therefore, who have not cast their vote yet are requested to do so. Further, the results of voting along with Scrutinizer's Report shall be placed on the Company's website and on the website of CDSL. The results shall also be simultaneously communicated to the National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

I now thank to all the members who have spared their valuable time in attending this video conferencing meeting.

I also hereby propose a vote of thanks to our Chairman along with other Directors who have participated through this video conferencing mode.

I hereby declare the meeting proceedings as closed as there remains no business.

Thank you very much to all of you and be safe.

The Meeting concluded at 11.25 a.m. IST.

