LETTER OF OFFER

"THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION"

This Letter of Offer ('LOF') is sent to you as a shareholder of **JMC Projects (India) Limited (the 'Target Company' or 'JMC')**. If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or the Manager / Registrar to the Offer. In case you have sold your equity shares in **JMC Projects (India) Limited**, please hand over this LOF, the accompanying Form of Acceptance-cum-Acknowledgement ('Form of Acceptance'), Form of Withdrawal and Transfer Deed to the member of the stock exchange through whom the said sale was effected.

CASH OFFER BY

Kalpataru Power Transmission Limited ('Acquirer'/ 'KPTL')

Registered Office: Plot no.101, Part III, G.I.D.C Estate, Sector -28, Gandhinagar-382 028, Gujarat, India. **Tel:** +91-79-2321 4000, **Fax:** +91-79-2321 1966/68/71

To acquire

52,80,687 equity shares of Rs.10/- each at Rs. 207/- (Rupees Two Hundred and Seven only) per fully paid-up equity share of face value of Rs.10/- (Rupees Ten Only) each, pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (the 'SEBI SAST Regulations' or the 'Regulations')

representing 20.22% of paid up equity share capital and 20.00% of Emerging Voting Capital

of

JMC Projects (India) Limited ('JMC'/ 'Target Company')

Registered Office: A-104, Shapath – 4, Opp. Karnavati Club, S. G. Road, Ahmedabad - 380 051, Gujarat, India.
Tel: +91-79-3001 1500, **Fax:** +91-79 3001 1600/1700

Please Note:

1. This Offer is being made pursuant to regulation 11(1), 11(2) and other applicable provisions of the Regulations and subsequent amendments made thereto.
2. The Offer is not subject to a minimum level of acceptance by the shareholders of the Target Company.
3. This is not a Competitive bid.
4. The Offer is subject to the receipt of approval from Reserve Bank of India ('RBI') if required, under the Foreign Exchange Management Act, 1999 ('FEMA') for the acquisition of equity shares by the Acquirer from non-resident persons under the Offer or such other statutory approval(s), if required, to implement the Offer.
5. The Acquirer requires approval from their lenders for the purpose of this Offer. The Acquirer has received approvals from its lenders for the purpose of this Offer. Refer para 8.1.4 of this Letter of Offer.
6. Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the LOF, can withdraw the same upto three working days prior to the date of closure of the Offer. Requests for such withdrawals should reach the Registrar to the Offer before the close of business hours on December 22, 2010.
7. If there is any upward revision in the Offer Price by the Acquirer till the last date of revision i.e. December 15, 2010, or withdrawal of the Offer in terms of the Regulations, the same would be informed by way of a PA in the same newspapers where the original PA dated October 9, 2010 had appeared. Such revised offer price would be payable for all the equity shares of JMC, tendered anytime during the Offer and accepted under the Offer.
8. **There was no Competitive bid.**
9. **As the Offer Price cannot be revised during the period after December 15, 2010, it would therefore be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.**
10. The Public Announcement, Corrigendum to Public Announcement, LOF, Form of Acceptance and Form of Withdrawal would also be available on the website of Securities and Exchange Board of India ('SEBI') at http://www.sebi.gov.in.
11. The procedure for acceptance is set out in Para 9 of this LOF. A Form of Acceptance and a Form of Withdrawal is enclosed with this LOF.

All future correspondence, if any, should be addressed to the Manager to the Offer/ Registrar to the Offer at the addresses mentioned below:

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
Collins Stewart Inga **COLLINS STEWART INGA PRIVATE LIMITED** A-404, Neelam Centre, 4th Floor, Hind Cycle Road, Worli, Mumbai 400 030. Tel.: +91-22-2498 2919 / 2498 2927, Fax: +91-22- 2498 2956 Email: jmcopenoffer@csinga.com Contact Person: Mr. Nishant Upadhyay / Ms. Deepa Mutha	LINK INTIME INDIA PVT LTD (Formerly INTIME SPECTRUM REGISTRY LTD) **LINK INTIME INDIA PRIVATE LIMITED** C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai - 400 078. Tel.:+91-22-2596 3838 Fax.:+91-22- 2594 6960 Email:nilesh.chalke@linkintime.co.in Contact Person: Mr. Nilesh Chalke

OFFER OPENS : DECEMBER 08, 2010 (WEDNESDAY)	OFFER CLOSES : DECEMBER 27, 2010 (MONDAY)

SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

Activity	Original Schedule		Revised Schedule	
	Date	Day	Date	Day
Public Announcement Date	October 9, 2010	Saturday	--	--
Corrigendum to Public Announcement	--	--	November 30, 2010	Tuesday
Specified Date (for the purpose of determining the names of shareholders to whom the Letter of Offer would be sent)	October 22, 2010	Friday	October 22, 2010	Friday
Last date for a Competitive Bid	October 30, 2010	Saturday	October 30, 2010	Saturday
Last Date by which LOF will be posted to shareholders	November 18, 2010	Thursday	December 4, 2010	Saturday
Date of Opening of the Offer	November 29, 2010	Monday	December 8, 2010	Wednesday
Last date for revising the Offer Price / Offer size	December 8, 2010	Wednesday	December 15, 2010	Wednesday
Last date of withdrawal of tendered application by the shareholders	December 14, 2010	Tuesday	December 22, 2010	Wednesday
Date of Closing of the Offer	December 18, 2010	Saturday	December 27, 2010	Monday
Date by which acceptance / rejection under the Offer would be intimated and the corresponding payment for the acquired equity shares and/or the unaccepted equity shares / Share Certificate(s) will be dispatched / credited	January 1, 2011	Saturday	January 11, 2011	Tuesday

RISK FACTORS

Given below are the risks related to the transaction, the proposed Offer and the risks involved in getting associated with the Acquirer

i. Risk related to the transaction

Transfer of equity shares received from non-resident shareholders and OCB, as mentioned in para 8.1.2, under the offer is subject to receipt of RBI approval, if required, for the same.

ii. Risk related to the proposed Offer

In the event that either (a) a regulatory approval is not received in time, (b) there is any litigation leading to a stay on the Offer, or (c) SEBI instructing the Acquirer not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities as indicated in this LOF. Consequently, the payment of consideration to the shareholders of JMC whose equity shares have been accepted in the Offer as well as the return of the equity shares not accepted by the Acquirer may be delayed. In case of delay, due to non-receipt of statutory approvals, as per regulation 22(12) of the Regulations, SEBI may, if satisfied that the non-receipt of approvals was not due to any willful default or negligence on the part of the Acquirer, grant an extension for the purpose of completion of the Offer subject to the Acquirer paying interest to the shareholders, as may be specified by SEBI. Further, shareholders should note that after the last date of withdrawal i.e. December 22, 2010 shareholders who have lodged their acceptances would not be able to withdraw them even if the acceptance of equity shares under the Offer and dispatch of consideration gets delayed. The tendered equity shares and documents would be held by the Registrar to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed.

iii. General Risk

The Acquirer makes no assurance with respect to the market price of the equity shares both during the Offer period and upon the completion of the Offer, and disclaims any responsibility with respect to any decision by the shareholders on whether or not to participate in the Offer.

The Acquirer makes no assurance with respect to the financial performance of JMC. The Acquirer also makes no assurance with respect to their investment / divestment decisions relating to their existing and proposed shareholding in JMC.

The risk factors set forth above pertain to the acquisition and the Offer and not in relation to the present or future business or operations of JMC or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a shareholder in the Offer. Shareholders of JMC are advised to consult their stockbroker or investment consultant, for further risks with respect to their participation in the Offer.

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1. DEFINITION

Act	The Companies Act, 1956
AGM	Annual General Meeting
ASE	Ahmedabad Stock Exchange Limited
Acquirer/KPTL	Kalpataru Power Transmission Limited
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
Corrigendum to PA	Corrigendum to Public Announcement as published in newspapers on November 30, 2010
DIN	Director Identification Number
DP	Depository Participant
Depositories	NSDL and CDSL
Date of Public Announcement	October 9, 2010 (Saturday)
DSE	Delhi Stock Exchange Association Limited
EOGM/EGM	Extra Ordinary General Meeting
FEMA	Foreign Exchange Management Act, 1999
FII(s)	Foreign Institutional Investor(s)
Form of Acceptance / FOA	Form of Acceptance-cum- Acknowledgement
INR / Rs.	Indian Rupee
IPO	Initial Public Offering
Letter of Offer / LOF/ LOO	This Letter of Offer
Ltd / Pvt Ltd	Limited / Private Limited
Manager/ Manager to the Offer	Collins Stewart Inga Private Limited
Networth	Share Capital + Reserves (excluding revaluation reserve and debenture redemption reserve) – Miscellaneous Expenditure
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
Offer	Open Offer for the acquisition of 52,80,687 equity shares of the face value of Rs. 10/- each of JMC at a price of Rs.207/- per equity share
Offer price	Rs. 207/- (Rupees Two Hundred and Seven only) per equity share of Rs. 10/- each
Offer size	Rs.109,31,02,209/- (One Hundred and Nine Crores Thirty One Lacs Two Thousand Two Hundred Nine only)
Public Announcement/PA	Public Announcement as published in newspapers on October 9, 2010
Persons eligible to participate in the Offer / Eligible Shareholders	All members (registered and unregistered) of JMC except, the Acquirer
RBI	Reserve Bank of India
Registrar to the Offer	Link Intime India Private Limited
SEBI/Board	Securities & Exchange Board of India
SEBI Act	Securities & Exchange Board of India Act, 1992
SEBI (DIP) Guidelines	Securities & Exchange Board of India (Disclosure & Investor Protection) Guidelines, 1999 (Now repealed)
SEBI ICDR Regulations	Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2009 & subsequent amendments thereto
SEBI Takeover Code or Regulations or SAST Regulations	Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 & subsequent amendments thereto
Specified date	October 22, 2010 (‘Friday’)
Target Company / JMC	JMC Projects (India) Limited

2. **DISCLAIMER CLAUSE:**

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF JMC PROJECTS (INDIA) LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE COMPANY WHOSE SHARES / CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT, WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY, AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY.

IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, COLLINS STEWART INGA PRIVATE LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED OCTOBER 21, 2010 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER."

3. **DETAILS OF THE OFFER**

3.1 Background of the Offer

3.1.1 The Offer is being made by the KPTL to the shareholders of the Target Company pursuant to regulation 11(1) & 11(2) of the Regulations to consolidate and enhance the shareholding of the promoter group of the Target Company. KPTL is the part of promoter group of the Target Company. In terms of the Regulations, there may be persons, who could be deemed to be persons acting in concert with the Acquirer; however, such persons are not acting in concert for the purpose of this Open Offer.

3.1.2 The Board of Directors of the Target Company, at their meeting held on October 6, 2010 had approved the proposal to issue and allot 43,50,000 (Forty Three Lacs Fifty Thousand) ('Subscription Shares') fully paid-up equity shares of Rs.10/- each on preferential basis representing 16.65% of post preferential issued, subscribed and paid up equity share capital of the Target Company for cash at a price of Rs.207/- per share (including premium of Rs.197/- per share) ('Preferential Issue') aggregating to Rs. 90,04,50,000/- (Rupees Ninety Crores Four Lacs Fifty Thousand only) ('Subscription Amount') to KPTL in compliance with the provisions of the Companies Act, 1956 (the 'Act') and Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subsequent amendments thereto ('SEBI ICDR Regulations').

3.1.3 The consent of the members for the aforesaid issue was obtained by passing of special resolution under Section 81(1A) of the Act and in accordance with Chapter VII of the SEBI ICDR Regulations at the Extra-Ordinary General Meeting ('EOGM') of the Target Company held on November 6, 2010.

3.1.4 Pursuant to special resolution passed by the members of the Target Company under section 81(1A) of the Act and payment of Subscription Amount to the Target Company, Committee of Directors of the Target Company at their meeting held on November 20, 2010 has alloted 43,50,000 equity shares of Rs.10/- each at a premium of Rs. 197/- per equity share to Acquirer.

3.1.5 As on date of PA, the Acquirer held 1,15,40,247 equity shares in the Target Company representing 53.01% of the then paid up capital of the Target Company. As a result of above Preferential Issue, the Acquirer has acquired 43,50,000 equity shares and the total shareholding of the Acquirer has increased to 1,58,90,247 equity shares of Rs.10/- each representing 60.84% of the present paid up capital of the Target Company.

3.1.6 As on date of PA, the total holding of the KPTL along with the promoter group was 1,21,11,910 equity shares of Rs.10/- each representing 55.64% of then paid up capital of the Target Company. Pursuant to above allotment of equity shares, holding of the promoter group has increased to 1,64,61,910 equity shares representing 63.03% of the present paid up capital of the Target Company. The allotment under the Preferential Issue taken together with existing holding of the Acquirer will result in consolidation of the promoter group shareholding in the Target Company; hence this offer is being made pursuant to and in terms of the Regulations.

3.1.7 Neither the Acquirer nor the Target Company have been prohibited from dealing in securities under section 11B or any other regulations made under the SEBI Act.

3.1.8 Mr. Manish Mohnot and Mr. Mahendra Punatar, Directors of KPTL are on the Board of the Target Company. Further, Mr. Kamal Jain, CFO of KPTL is also on the Board of the Target Company. On account of this Open Offer, the Acquirer does not propose to make appointment of director on the Board of the Target Company.

3.2 Details of the proposed Offer

3.2.1 The PA and Corrigendum to PA was made in the following newspapers on October 9, 2010 and November 30, 2010 respectively, in accordance with regulation 15 of the Regulations.

Newspaper	Language	Edition
Business Standard	English	All editions
Pratahkal	Hindi	All editions
Jai Hind	Gujarati	Ahmedabad edition
Navshakti	Marathi	All editions

(The PA and Corrigengum to PA are available on the SEBI website: *http://www.sebi.gov.in*)

3.2.2 The Acquirer is making an Open Offer to the shareholders of the Target Company to acquire upto 52,80,687 fully paid up equity shares of Rs.10/- each representing 20.22% of the present paid up capital and 20% of the Emerging Voting Capital (as detailed in para 6.3 hereunder) of the Target Company at a offer price of Rs.207/- per share payable in cash ('Offer Price'), in terms of the Regulations (the 'Offer' or 'Open Offer').

3.2.3 As on the date of Letter of Offer, there are no partly paid-up equity shares in the capital structure of the Target Company.

3.2.4 This is not a Conditional Offer. The Offer is not subject to any minimum level of acceptance. Acquirer will acquire all the fully paid up equity shares that are validly tendered in terms of the Offer, upto a maximum of 52,80,687 equity shares at the Offer Price. If the valid response exceeds 52,80,687 equity shares, the Acquirer shall accept shares equal to 52,80,687 equity shares, on a proportionate basis, in consultation with the Manager to the Offer, in accordance with regulation 21(6) of the Regulations.

3.2.5 This is not a Competitive Bid. There was no Competitive bid.

3.2.6 The Manager to the Offer does not hold any equity shares in the Target Company, as on the date of the PA and has not acquired any equity shares of the Target Company since the date of PA upto the date of LOF.

3.2.7 The Acquirer may purchase additional shares of JMC from the open market and / or through negotiations or otherwise, after the date of the PA in accordance with regulation 20(7) of the Regulations and details of such acquisition, if any, will be disclosed by the Acquirer within 24 hours of such acquisition to the Stock Exchanges, wherever equity shares of JMC are listed and to the Manager to the Offer in terms of regulation 22(17) of the Regulations. As on the date of this Letter of Offer, apart from acquisition of equity shares under the Preferential Issue, Acquirer has not acquired any equity shares after the date of the PA.

3.2.8 No separate consideration has been paid or would be paid by the Acquirer to the Target Company, other than Subscription Amount paid as mentioned in para 3.1.4.

3.3 Object of the Acquisition / Offer

3.3.1 The Offer is being made by the Acquirer in accordance with regulation 11(1) and 11(2) of the Regulations to consolidate and enhance the stake of the promoter group in the Target Company.

4. BACKGROUND OF THE ACQUIRER

4.1 Details of the Acquirer – Kalpataru Power Transmission Limited

4.1.1 Kalpataru Power Transmission Ltd. was incorporated on April 23, 1981 as HT Power Structure Private Limited with a registration no. of 04-4281 and is registered in the state of Gujarat. The Company Identification No. of KPTL is L40100GJ1981PLC004281. It was converted into a public limited company on December 20, 1993 and the name was changed to Kalpataru Power Transmission Ltd. on January 4, 1994. The registered office is located at Plot no.101, Part III, G.I.D.C Estate, Sector -28, Gandhinagar-382028, Gujarat; Tel: +91-79-2321 4000, Fax: +91-79-2321 1966/68/71 and Corporate Office is located at Kalpataru Synergy, Opposite Grand Hyatt, Santacruz (East), Mumbai 400 055. KPTL belongs to Kalpataru group.

4.1.2 KPTL is an engineering, procurement and construction ('EPC)' company that provides integrated design, testing, fabrication, erection and construction services to the Indian Power Transmission Industry. It also provides EPC services to power transmission utilities outside India, particularly Africa, Middle East and Southeast Asia. It also provides EPC services to power distribution utilities in India. In addition, it constructs cross-country oil and gas pipeline networks in India and also generate biomass energy, primarily from mustard crop residue.

4.1.3 The promoters of KPTL are Mr. Mofatraj Munot and Mr. Parag Munot.

4.1.4 Equity shares of the KPTL are listed on NSE and BSE.

4.1.5 KPTL is a part of promoter group of the Target Company.

4.1.6 KPTL has complied with the provisions of Chapter II of the Regulations with delay. Refer para 4.1.11.

4.1.7 The details of Board of Directors of the KPTL are given below:

Name, Designation, Age, DIN	Date of Appointment	Residential Address	Qualification	Experience
Mr. Mofatraj Pukhraj Munot (Chairman & Non Executive Director) Age: 66 years DIN: 00046905	June 27, 1989	Munot Villa, Westfield Compound Lane, 63-K, Bhulabhai Desai Road, Mumbai -400 026	Higher Secondary	He has more than 45 years of experience in the fields of real estate, property development, civil contracting and various other industries.
Mr. Mahendra Gulabrai Punatar (Independent Director) Age: 75 years DIN: 00533198	June 1, 2009	1302, 13th Floor, Raheja Majestic, Near Starcity Theatre, Manmala Road, Matunga (West) Mumbai - 400 010	B.E./ M.S.E.- Structural Engineering	He has more than 50 years of experience in designing transmission line towers, production and planning.
Mr. Pankaj Ramprakash Sachdeva (Managing Director) Age: 49 Years DIN: 02278031	July 9, 2008	104, Shaligram – 2, Prahaladnagar, Satellite, Ahmedabad - 380 015	B.E. (HONS.)- Electrical/ P.G. Diploma-Export & Service	He has 26 years of experience in the power generation, transmission and distribution industry including project management and marketing.

Name, Designation, Age, DIN	Date of Appointment	Residential Address	Qualification	Experience
Mr. Vimal Ranjeet Bhandari (Independet Director) Age: 52 years DIN: 00001318	June 28, 2002	Flat No. 164,16th Floor Tower "A" Kalpataru Horizon, S.K. Ahire Marg, Worli, Mumbai - 400 018	B.COM./ C.A.(Chartered Accountant)	He has an experience of more than 25 years in the financial services sector.
Mr. Manish Dashrathmal Mohnot (Executive Director) Age: 38 years DIN: 01229696	November 1, 2006	C/4/11, Sunder Nagar, S.V. Road, Malad (W), Mumbai - 400 064	B.COM./ Cost Accountant/ C.A.(Chartered Accountant)	He has 15 years of experience in infrastructure, power, oil, gas, port and other related sectors.
Mr. Parag Mofatraj Munot (Non Executive Director) Age: 41 years DIN: 00136337	September 30, 1991	Munot Villa, Westfield Compound Lane, 63-K, Bhulabhai Desai Road, Mumbai -400 026	B.COM./ M.B.A.	He has more than 17 years of experience in real estate and property development business
Mr. Keezhapandal Veeraraghavan Mani (Non Executive Director) Age: 67 years DIN: 00533148	June 1, 2009	Flat No. 1823, Clover Highlands, NIBM Road, Khondwa, Pune - 411 048	B.E.-Electrical/ M.B.A.	He has nearly 45 years of experience in the transmission industry, primarily in construction, project management and overseas marketing.
Mr. Sajjan Raj Mehta (Independent Director) Age:59 years DIN: 00051497	July 25, 1998	703, Atmaj, 94-C, August Kranti Marg, Mumbai - 400 036	M.COM./ F.C.A.	He has experience of more than 35 years in the fields of foreign exchange, taxation and corporate affairs and strategy.
Mr. Narayan K. Seshadri (Independent Director) Age: 53 years DIN: 00053563	January 29, 2007	Flat No 91, 9 Floor, Everest Co-operative Housing Society, Mount Pleasant Road, Malabar Hill, Mumbai 400 006	B.COM./ C.A.(Chartered Accountant)	He has an experience of exceeding 28 years in the field of finance, account, tax and business consulting
Mr. Satya Pal Talwar (Independent Director) Age: 71 years DIN: 00059681	January 30, 2009	163, Beach Tower, P. Baloo Marg, Prabhadevi, Mumbai	B.A./ LL.B./ C.A.I.I.B. (Certified Associate of Indian Institute of Bankers)	He is a hardcore banker and retired as Deputy Governer of RBI. He is a senior advisor to Yes Bank Limited.

Mr. Manish Mohnot (DIN: 01229696) and Mr. Mahendra Punatar (DIN:00533198), Directors of KPTL are on the Board of the Target Company. Further, Mr. Kamal Jain (DIN: 00269810), CFO of KPTL is also on the Board of the Target Company. They have recluse themselves from participating in any matters, including preparatory steps in relation to Offer, in compliance with the provisions of regulation 22(9) of the Regulations.

4.1.8 Brief financial statement of the KPTL (Standalone): (All figures are in Rs. Lacs)

Particulars	Year Ended March 31, 2008	Year Ended March 31, 2009	Year Ended March 31, 2010	Quarter ended June 2010
	Audited	**Audited**	**Audited**	**Certified by the Statutory Auditors**
Months	**12**	**12**	**12**	**3**
Income Statement				
Income from operations	1,73,758.39	1,88,239.42	2,59,603.68	53,763.80
Other Income	2,148.78	3,139.77	3,464.80	853.43
Total Income	**1,75,907.17**	**1,91,379.19**	**2,63,068.48**	**54,617.23**
Total Expenditure	1,49,865.29	1,67,719.47	2,29,259.96	46,580.79
PBDIT	26,041.88	23,659.72	33,808.52	8,036.44
Depreciation	2,180.41	2,731.81	3,823.77	1,107.59
Interest	3706.24	8,869.43	7,225.13	1,898.47
Profit / (Loss) Before Tax	20,155.23	12,058.48	22,759.62	5,030.38
Provision for Tax	5,160.00	2,617.38	5,714.00	1,344.00

Particulars	Year Ended March 31, 2008	Year Ended March 31, 2009	Year Ended March 31, 2010	Quarter ended June 2010
	Audited	Audited	Audited	Certified by the Statutory Auditors
Months	**12**	**12**	**12**	**3**
Profit / (Loss) After Tax	14,995.23	9,441.10	17,045.62	3,686.38
Balance Sheet				
Sources of funds				
Paid up equity share capital	2,650.00	2,650.00	2,650.00	3,069.21
Reserves and Surplus (excl Deb Red. Res. & Revaluation Res.)	74,071.85	80,694.51	94,960.90	1,42,709.67
Networth	76,721.85	83,344.51	97,610.90	1,45,778.88
Deb. Red. Res. & Revaluation Res.	55.18	350.53	1,195.42	1,194.14
Secured Loans	29,585.07	48,543.96	51,260.24	61,235.11
Unsecured Loans	3,000.00	16,926.66	9,171.67	23,779.70
Total Debt	32,585.07	65,470.62	60,431.91	85,014.81
Deferred Tax Liabilities	971.63	1,279.84	1,407.84	1,369.83
Total	**1,10,333.73**	**1,50,445.50**	**1,60,646.07**	**2,33,357.66**
Uses of funds				
Net fixed assets	22,268.50	25,839.90	33,492.94	32,920.25
Capital WIP	193.40	999.50	354.92	778.98
Investments	14,751.48	12,682.52	12,651.40	40,329.14
Net current assets	73,120.34	1,10,923.58	1,14,146.81	1,59,329.30
Total Misc. Exp. not written off	0.00	0.00	0.00	0.00
Profit & Loss account	0.00	0.00	0.00	0.00
Total	**1,10,333.73**	**1,50,445.50**	**1,60,646.07**	**2,33,357.66**
Other Financial Data				
Dividend (%)	75	75	75	--
Earnings per Share* (Rs.) ('EPS') (annualized)	56.59	35.63	64.32	50.72
Return on Networth (%) (annualized)	19.54	11.33	17.46	10.12
Book Value Per Share* (Rs.)	289.52	314.51	368.34	474.97

Source: Annual Reports for FY 2008, 2009, 2010 and Financial Statements for the quarter ended June 30, 2010 duly certified by the statutory auditors of the KPTL. *EPS & Book value per share are not in lacs. The equity shares of KPTL were split into face value of Rs.2/- per share from Rs.10/- per share w.e.f. September 9, 2010, and the current equity capital consists of 15,34,60,570 equity shares of Rs.2/- each aggregating to Rs.3,069.21 lacs.

4.1.9 Contingent liabilities for the period ended June 30, 2010.

Particulars		Period ended 30.06.2010 (Rs. in Lacs)
Contingent liabilities in respect of:		
i)	Bank guarantees	1,127.14
ii)	Claims against Company not acknowledged as debt	1,628.40
iii)	Bonds/Undertaking given by the Company for concessional duty/exemption to customs	2,594.40
iv)	Show Cause Notice issued by the Service tax/Entry Tax/ Stamps authority, disputed by the company	50.60
v)	Penalty for delayed payment of Service tax disputed before Appellate authority already stayed unconditionally	120.29
vi)	Guarantees & Letter of Comfort on behalf of a Subsidiary Company.	2,145.33
vii)	Corporate Guarantee for Equipment Hiring	1,047.25
viii)	Service-tax /VAT/WCT disputed in Appeals	122.55

4.1.10 Reasons for the rise/fall in Income and Profit after Tax (PAT) for the last three years.

Financial year ended March 31, 2010

Total Income for the financial year ended 31st March, 2010 is Rs. Rs. 2,63,068.48 Lacs as against Rs.1,91,379.19 lacs for the financial year March 31, 2009. Profit after Tax (PAT) for the financial year ended March 31, 2010 is Rs. 17,045.62 lacs as against the PAT for previous financial year ended 31st March, 2009 of Rs. 9,441.10 lacs.

The increase in income was attributable to an increase in income in our international power transmission and distribution business and contract receipts of our oil & gas pipeline business and the increase in Profit after Tax is attributable to increase in turnover, favorable commodity & forex market condition and improved working capital management.

Financial year ended March 31, 2009

Total Income for the financial year ended 31st March, 2009 is Rs.1,91,379.19 lacs as against Rs. 1,75,907.17 lacs for the financial year 2008. Profit after Tax (PAT) for the financial year ended March 31, 2009 is Rs. 9,441.10 lacs as against the PAT for previous financial year ended 31st March,2008 of Rs.14,995.23 lacs.

The increase in income was attributable to an increase in income in our power transmission and distribution and biomass energy divisions and contract receipts offset by a minor decrease in income in our infrastructure division and the decrease in profit after tax is primarily due to the higher commodity prices, increased working capital cycle and adverse foreign currency movements.

Financial year ended March 31, 2008

Total Income for the financial year ended 31st March, 2008 is Rs. 1,75,905.51 lacs as against Rs. 1,53,682.53 lacs for the financial year 2007. Profit after Tax (PAT) for the financial year ended March 31, 2008 is Rs. 14,995.23 lacs as against the PAT for previous financial year ended 31st March, 2007 of Rs. 15,949.53 lacs.

The increase in income was attributable to an increase in income in our power transmission and distribution, infrastructure and biomass energy divisions and in contract receipts and the decrease in profit after tax primarily due to competitive pricing pressure and volatility in commodity prices.

4.1.11 Details of earlier acquisitions made by the Acquirer in the Target Company and status of compliance of the provisions of SEBI SAST Regulations are as follows.

Name of the Acquirer	Date	No. of shares acquired/ sold	Cumulative holding of Acquirer	% of paid up capital of the Target Company	Paid up Shares of Target Company	Mode of Acquisition	Status of Chapter II Compliance
KPTL	28-Feb-05	16,40,000	16,40,000	35.30%	46,46,550	Acquired from Promoters & their relatives through Share Purchase Agreement dated October 14, 2004	Complied
KPTL	1-Mar-05	2,00,000	18,40,000	39.60%	46,46,550	Acquired from Promoters & their relatives through Share Purchase Agreement dated October 14, 2004	Complied
KPTL	10-Mar-05	10,300	18,50,300	39.82%	46,46,550	Received in open offer	Complied
KPTL	21-Mar-05	58,142	19,08,442	41.07%	46,46,550	Received in open offer	Complied
KPTL	22-Mar-05	2,27,000	21,35,442	45.96%	46,46,550	Market Purchase	Complied
KPTL	30-Mar-05	2,500	21,37,942	46.01%	46,46,550	Purchased	Complied
KPTL	9-Sep-05	35,08,057	56,45,999	48.60%	1,16,16,375	Allotment in Rights Issue	Complied with delay of 8 days
KPTL	30-Mar-06	1,15,867	57,61,866	49.60%	1,16,16,375	Market Purchase	Not Applicable
KPTL	31-Mar-06	34,133	57,95,999	49.90%	1,16,16,375	Market Purchase	Not Applicable
KPTL	17-Nov-06	24,89,420	82,85,419	49.95%	1,65,87,445	Allotment in Rights Issue	Not Applicable
KPTL	6-Feb-07	11,69,352	94,54,771	52.27%	1,80,86,635	Allotment pursuant to warrant conversion	Complied
KPTL	22-Mar-07	8,827	94,63,598	52.17%	1,81,40,290	Market purchase	Not Applicable
KPTL	28-Mar-07	4,173	94,67,771	52.19%	1,81,40,290	Market purchase	Not Applicable

Name of the Acquirer	Date	No. of shares acquired/ sold	Cumulative holding of Acquirer	% of paid up capital of the Target Company	Paid up Shares of Target Company	Mode of Acquisition	Status of Chapter II Compliance
KPTL	30-Dec-08	3,000	94,70,771	52.21%	1,81,40,290	Market purchase	Not Applicable
KPTL	31-Dec-08	49,171	95,19,942	52.48%	1,81,40,290	Market purchase	Not Applicable
KPTL	2-Jan-09	351	95,20,293	52.48%	1,81,40,290	Market purchase	Not Applicable
KPTL	7-Jan-09	15,377	95,35,670	52.57%	1,81,40,290	Market purchase	Not Applicable
KPTL	9-Jan-09	1,391	95,37,061	52.57%	1,81,40,290	Market purchase	Not Applicable
KPTL	12-Jan-09	4,228	95,41,289	52.60%	1,81,40,290	Market purchase	Not Applicable
KPTL	13-Jan-09	1,751	95,43,040	52.61%	1,81,40,290	Market purchase	Not Applicable
KPTL	14-Jan-09	830	95,43,870	52.61%	1,81,40,290	Market purchase	Not Applicable
KPTL	15-Jan-09	3,505	95,47,375	52.63%	1,81,40,290	Market purchase	Not Applicable
KPTL	30-Jan-09	4,255	95,51,630	52.65%	1,81,40,290	Market purchase	Not Applicable
KPTL	2-Feb-09	2,225	95,53,855	52.67%	1,81,40,290	Market purchase	Not Applicable
KPTL	3-Feb-09	3,914	95,57,769	52.69%	1,81,40,290	Market purchase	Not Applicable
KPTL	4-Feb-09	6,700	95,64,469	52.73%	1,81,40,290	Market purchase	Not Applicable
KPTL	5-Feb-09	9,315	95,73,784	52.78%	1,81,40,290	Market purchase	Not Applicable
KPTL	26-Feb-09	893	95,74,677	52.78%	1,81,40,290	Market purchase	Not Applicable
KPTL	3-Mar-09	3,874	95,78,551	52.80%	1,81,40,290	Market purchase	Not Applicable
KPTL	4-Mar-09	248	95,78,799	52.80%	1,81,40,290	Market purchase	Not Applicable
KPTL	5-Mar-09	1,803	95,80,602	52.81%	1,81,40,290	Market purchase	Not Applicable
KPTL	6-Mar-09	832	95,81,434	52.82%	1,81,40,290	Market purchase	Not Applicable
KPTL	9-Mar-09	6,000	95,87,434	52.85%	1,81,40,290	Market purchase	Not Applicable
KPTL	13-Mar-09	531	95,87,965	52.85%	1,81,40,290	Market purchase	Not Applicable
KPTL	18-Mar-09	30,000	96,17,965	53.02%	1,81,40,290	Market purchase	Not Applicable
KPTL	3-Oct-09	19,22,282	1,15,40,247	53.01%	2,17,68,348	Allotment in Rights Issue	Not Applicable
KPTL	20-Nov-10	43,50,000	1,58,90,247	60.84%	2,61,18,348	Allotment in Preferential Issue	Complied

SEBI may initiate suitable action against the Acquirer for the delayed compliance of Chapter II of the Regulations.

4.1.12 Significant accounting policies of KPTL are given below:

A. Basis of Accounting:

(i) The financial statements have been prepared in accordance with relevant accounting standards under the historical cost convention, except as stated in note B.

(ii) The accounts have been prepared on accrual basis of accountancy in accordance with the accounting principles generally accepted in India.

B. Fixed Assets:

Fixed assets are stated at cost of acquisition/construction/revalued amount less accumulated depreciation.

C. Depreciation:

Depreciation is provided on the basis of straight-line method on all depreciable fixed assets at the rates prescribed in Schedule –XIV of the Companies Act, 1956, on prorata basis except:

a) Depreciation pertaining to assets of Research and Development Centre and of the Export Oriented Unit is provided on the basis of written down value method.

b) Depreciation on plant and machinery of bio-mass energy plants is provided at a higher rate at 7.5% instead of the prescribed rate for continuous process plant considering the useful life of plant supported by technical evaluation and report.

c) In case of revalued assets, the difference between the depreciation based on revalued cost and the depreciation charged on historical cost is recouped out of revaluation reserve.

d) Depreciation on assets of overseas projects is provided at the rates as per the requirement of laws of respective foreign countries. Such rates of depreciation in each overseas project are higher than the depreciation at prescribed rates under Schedule-XIV of the Companies Act, 1956.

e) Depreciation on all the vehicles in the Company is provided at a higher rate at 15% instead of the prescribed rate, considering the useful life of vehicles based on technical evaluation of the management.

f) Intangible assets are amortized over a period of five years from the day they are acquired on prorata basis.

D. Revenue Recognition:

(i) Transmission & Distribution Division:

Sales are recognized on delivery of materials. Sales includes excise duty and export benefits being Duty Entitlement Pass Book credits but excludes Sales Tax.

Erection and works contract revenue for work completed is recognized on percentage of completion method based on completion of physical proportion of the contract work. When it is probable that total contract cost will exceed the total contract revenue, the expected loss is recognized immediately.

(ii) Infrastructure Division:

Revenue is recognized by adding the aggregate cost and proportionate margin using the percentage completion method. Percentage of completion is determined as a proportion of cost incurred to date to the total estimated contract cost. When it is probable that total contract cost will exceed the total contract revenue, the expected loss is recognized immediately.

(iii) Bio-mass Energy Division:

Revenue is recognized on supply of electricity generated to the customer.

(iv) Real Estate Division:

Revenue is recognized at the time of transfer of significant risks and rewards of ownership to the buyer on executing agreement for sale. Estimated cost of completion against sales recognized, wherever applicable, is provided for in profit and loss account. Advances received against booking of units are appearing as current liabilities.

(v) Others

Dividends are recorded when the right to receive payment is established. Interest income is recognized on time proportion basis.

E. Inventories:

(i) Transmission & Distribution Division:

Raw materials, semi-finished goods, finished goods, scraps and construction work-in-progress and other stores-spares and tools and trading goods are stated at lower of cost and net realizable value. The cost of inventories is computed on weighted average basis.

(ii) Infrastructure Division:

Construction material and stores, spares and tools are valued at lower of cost or net realizable value. The cost is computed on weighted average basis.

(iii) Biomass Energy Division:

Fuel and stores, spares and tools are stated at lower of cost and net realizable value. The cost of fuel, stores, spares and tools are computed on weighted average basis.

(iv) Real Estate Division:

Finished and semi-finished inventory are stated at lower of cost and net realizable value. Cost is computed on average cost basis which includes payments made against agreement to purchase land, development cost direct and attributable towards the specific real estate project and cost of borrowings as stated in note J.

F. Investments:

Long term investments are stated at cost after deducting the provision for diminution in value, if any, other than of a temporary nature. Current investments are stated at lower of cost or fair value.

G. Retirement Benefits:

(i) Gratuity liability is provided under a defined benefit plan, under Group Gratuity Cash Accumulation Scheme of the Life Insurance Corporation of India under an irrevocable trust. The Company's liability towards gratuity is determined on the basis of actuarial valuation done by an independent actuary.

(ii) Contribution to Provident Fund, a defined contribution plan is charged to the Profit and Loss Account.

(iii) Provision for leave encashment liability is made on actuarial valuation as at the Balance Sheet date.

(iv) All other short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

H. Excise/Custom Duty:

The liability for excise and custom duty in respect of materials lying in factory/bonded premises is accounted for as and when they are cleared / debonded.

I. Foreign Currency Transactions:

Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of transactions. Assets and liabilities, remaining unsettled at the end of the year are translated at the exchange rate prevailing at the end of the year and difference is adjusted to respective accounts in profit & loss account. The exchange gain or loss between forward exchange contract rate and exchange rate at the date of transaction are recognized in profit and loss account over the life of the contract.

Translation of overseas jobs / projects of non-integral foreign operations: -

a) Assets and liabilities at rates prevailing at the end of the year,

b) Income and expenses at the average rate for the year, and

c) Resulting exchange differences are accumulated in foreign currency translation reserve account.

In respect of foreign currency option contracts which are entered into to hedge, the cost of these contracts, if any, is expensed over the period of the contract. Any profit or loss arising on settlement or cancellation of currency options is recognized as income or expenses for the period in which settlement or cancellation takes place.

J. Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are recognized as expense in the period in which they are incurred.

K. Impairment of assets:

The carrying amount of assets, is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exist, the recoverable amount of the assets is estimated. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating units exceeds its recoverable amount. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and recognized in compliance with AS-28.

L. Taxes on Income:

a) Tax on income for the current period is determined on the basis of estimated taxable income and tax credit computed in accordance with the provisions of the Income Tax Act, 1961.

b) Deferred tax is recognized on timing difference between the accounting income and the estimated taxable income for the period and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

c) Deferred tax assets which arise mainly on account of unabsorbed losses or unabsorbed depreciation are recognized and carried forward only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

M. Use of Estimates:

The presentation of financial statements requires certain estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized.

N. Deferred Revenue Expenses:

Preliminary expenses incurred are charged to revenue.

O. Provisions, Contingent Liabilities and Contingent Assets:

i) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and that probability requires an outflow of resources.

ii) A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no disclosure is made.

4.1.13 Acquirer has duly complied with the various requirements of clause 49 relating to corporate governance under the Listing Agreement with the Stock Exchanges.

4.1.14 Following is the summary of pending litigations by and / or against KPTL.

(In Rs. lacs)

Sr. No.	Particulars	By the Acquirer		Against the Acquirer	
		No. of Cases	Amount involved, where quantifiable	No. of Cases	Amount involved, where quantifiable
1	Taxation Matters	24	4,776.76	08	1,857.89
2	Civil cases including money suits	03	409.07	02	42.00
3	Criminal cases	-	-		
4	Labour matters	-	-		
5	Arbitration	01	236.00	-	
6	Other Cases	01	30.00	-	

4.1.15 Details of the Compliance Officer of Acquirer:

Mr. Bajarang Ramdharani,
Company Secretary,
Kalpataru Power Transmission Limited
Plot No. 101, Part III, GIDC Estate, Sector - 28,
Gandhinagar – 382 028, Gujarat, India
Tel: +91-79-2321 4000, Fax: +91-79-2321 1966/68/71
Email: cs@kalpatarupower.com

4.1.16 The Acquirer was not involved in any merger/demerger/spin off during the last three years.

4.1.17 As on September 30, 2010, shareholding pattern of KPTL is as under:

Sr. No	Shareholder and Category	No. of Shares	% of Shares held
1.	Promoters & Promoter Group	8,43,81,330	54.99%
2.	FII/Mutual-Funds/FIs/Banks	5,55,76,736	36.21%
3.	Public	1,35,02,504	8.80%
	Total Paid up Capital	**15,34,60,570**	**100%**

4.2 Disclosures in terms of regulation 16(ix) of the Regulations and Acquirer's future plans for JMC

4.2.1 The Acquirer currently do not intend to dispose of or otherwise encumber any assets of the Target Company in the succeeding two years, except such disposals or encumbrances in the ordinary course of business of the Target Company and / or for the purposes of restructuring, rationalizing and / or streamlining various operations, assets, liabilities, investments, businesses or otherwise of the Target Company. Further, the Acquirer undertake not to sell, dispose off or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders of the Target Company, and in accordance with and subject to the applicable laws, permissions and consents, if any.

4.2.2 As on the date of PA and as of now, the Acquirer does not have any specific future plans for the Target Company.

5. DISCLOSURE IN TERMS OF REGULATION 21(2), IF APPLICABLE

In the event pursuant to this Open Offer, the public shareholding in the Target Company falls below 25% of its outstanding equity share capital, the Acquirer will, in accordance with the regulation 21(2) of the Regulations, facilitate the Target Company to raise the level of public shareholding in the Target Company to the level specified for continuous listing conditions with the Stock Exchanges with in the specified time and in accordance with the prescribed procedure under clause 40A(viii) of the Listing Agreement and in compliance with the Regulations.

6. BACKGROUND OF THE TARGET COMPANY - JMC PROJECTS (INDIA) LIMITED

6.1 JMC was originally incorporated as Civen Construction Private Limited on June 5, 1986 under the Companies Act, 1956 with its registered office at Ahmedabad. Subsequently on December 10, 1987, the name was changed to Joshi & Modi Constructions Private Limited. The name was further changed to JMC Projects (India) Private Limited on January 21, 1994 and was subsequently converted into a public limited company in the name of JMC Projects (India) Limited on February 4, 1994. The registered office of the Target Company is situated at A-104, Shapath-4, Opposite Karnavati Club, S.G.Road, Ahmedabad – 380 051, India, Tel: +91-79-3001 1500; Fax: +91-79-3001 1600/1700. The Company Identification Number of the Target Company – L45200GJ1986PLC008717. The Target Company is in the business of construction and Infrastructure development. The Target Company is at present executing more than 65 projects in the area of industrial, commercial, building, infrastructure and power. JMC is the subsidiary company of KPTL.

6.2 The share capital structure as on date of Letter of Offer has been calculated as under:

Paid up equity shares of Target Company	Issued and Subscribed Shares	Voting Rights	% of Outstanding Shares	% of Voting Rights
Fully paid up equity capital	2,61,18,348	2,61,18,348	100%	100%
Partly paid up equity capital	Nil	NA	NA	NA
Total	**2,61,18,348**	**2,61,18,348**	**100%**	**100%**

6.3 As on date of PA, the Target Company had 2,17,68,348 outstanding fully paid-up equity shares of Rs.10/- each. Voting rights as at the expiration of 15 days after the closure of the Open Offer i.e. Emerging Voting Capital of the Target Company is calculated as under:

Particulars	No. of equity shares of Rs.10/- each
Total fully paid up shares as on the date of PA	2,17,68,348
Add: Issuance of equity shares under Preferential Issue	43,50,000
Add: Outstanding vested Employees Stock Options (ESOPs) (assuming all ESOPs are exercised)	2,85,085
Emerging Voting Capital	**2,64,03,433**

6.4 Build up of the Capital Structure of JMC:

Date of allotment	No. of Shares issued	% of shares issued	Cumulative Number of Shares	Mode of allotment	Identity of Allottee (Promoters/Ex Promoters/Others)	Status of Compliances
26/06/1986	200	100.00%	200	Cash	Subscribers to Memorandum	Complied with the provisions of the Act
27/06/1987	500	71.43%	700	Cash	Promoters	Complied with the provisions of the Act
20/03/1988	1,300	65.00%	2,000	Cash	Promoters	Complied with the provisions of the Act
31/03/1989	4,000	66.67%	6,000	Cash	Promoters	Complied with the provisions of the Act
10/07/1990	2,000	25.00%	8,000	Cash	Promoters	Complied with the provisions of the Act
20/06/1993	8,000	10.00%	80,000	Share split from Rs. 100/- to Rs. 10/-	Promoters	Complied with the provisions of the Act
30/06/1993	93,000	13.82%	6,73,000	Cash	Promoters	Complied with the provisions of the Act
03/05/1994	4,71,100	41.18%	11,44,100	Bonus Shares	Promoters	Complied with the provisions of the Act
20/06/1994	3,55,900	23.73%	15,00,000	Cash	Promoters & Others	Complied with the provisions of the Act
02/12/1994	15,97,700	51.58%	30,97,700	Public Issue @ Rs. 24/- per share	Promoters & Others	Complied with the provisions of the Act and SEBI guidelines
24/02/2000	15,48,850	33.33%	46,46,550	Bonus Shares in the ratio of 1 for 2 held	Promoters & Others	Complied with the provisions of the Act and SEBI guidelines
09/09/2005	69,69,825	60.00%	1,16,16,375	Rights Issue @ Rs. 45/- per share - ratio of 3 for 2 held	Promoters & Others	Complied with the provisions of the Act and SEBI (DIP) Guidelines
09/10/2006	38,013	0.33%	1,16,54,388	Conversion of warrants @ Rs. 107/- per share (for Sep-06)	Others	Complied with the provisions of Act and SEBI (DIP) Guidelines
09/11/2006	2,86,507	2.40%	1,19,40,895	Conversion of warrants @ Rs. 106/- per share (for Oct-06)	Others	Complied with the provisions of the Act and SEBI (DIP) Guidelines
17/11/2006	46,46,550	28.01%	1,65,87,445	Rights Issue @ Rs. 100/- per share - ratio 2 for 5 held	Promoters & Others	Complied with the provisions of the Act and SEBI (DIP) Guidelines
10/12/2006	1,05,725	0.63%	1,66,93,170	Conversion of warrants @Rs.119/- per share - (for Nov-06)	Promoters & Others	Complied with the provisions of the Act and SEBI (DIP) Guidelines
09/01/2007	64,698	0.39%	1,67,57,868	Conversion of warrants @ Rs. 134/- per share - (for Dec-06)	Others	Complied with the provisions of the Act and SEBI (DIP) Guidelines
06/02/2007	13,28,767	7.35%	1,80,86,635	Conversion of warrants @ Rs. 152/- per share - (for Jan-07)	Promoters & Others	Complied with the provisions of the Act and SEBI (DIP) Guidelines
10/03/2007	53,655	0.30%	1,81,40,290	Conversion of warrants @Rs. 182/- per share - (for Feb-07)	Others	Complied with the provisions of the Act and SEBI (DIP) Guidelines
03/10/2009	36,28,058	16.67%	2,17,68,348	Rights Issue @ Rs. 110/- per share - ratio 1 for 5 held	Promoters & Others	Complied with the provisions of the Act and SEBI (DIP) Guidelines
20/11/2010	43,50,000	16.65%	2,61,18,348	Preferential Issue @ Rs. 207/- per share	Promoters	Complied with the provisions of the Act and SEBI (ICDR) Regulations

6.5 The Target Company came with an IPO in the year 1994 and its shares were listed on ASE, BSE & DSE. The equity shares of the Target Company were voluntarily delisted from ASE and DSE w.e.f March 31, 2005 and December 10, 2003, respectively. Further, the equity shares of the Target Company were listed on NSE with effect from November 26, 2007.

6.6 As on the date of PA, there were no unlisted shares of JMC. As on the date of this Letter of Offer, 43,50,000 equity shares allotted to Acquirer are unlisted and the Target Company is taking necessary steps for enlistment of the said shares on the Stock Exchanges.

6.7 The equity shares of the Target Company have never been suspended from trading on any Stock Exchanges.

6.8 As on date of PA, the Target Company has 2,85,085 outstanding vested ESOPs. There are no partly paid-up equity shares of the Target Company. Apart from ESOPs, there are no other convertible instruments, which are convertible into equity shares at any later date.

6.9 Target Company has complied with the provisions of Chapter II of the SEBI SAST Regulations, but with a delay for the years 1997 to 2002. Further, Target Company had filed necessary disclosures under the SEBI Regularization Scheme, 2002 for the delay in filing of disclosures for the years 1997-2002 and paid a total amount of Rs.70,000/- to SEBI.

Further, Target Company has complied with the provisions regulation 7(3) of Chapter II of the SEBI SAST Regulations, wherever applicable except for the disclosure received under regulation 7(1) on February 8, 2007 of the SEBI SAST Regulations, due date of which was on February 15, 2007, as the disclosure was filed on February 16, 2007, i.e. with a delay of one day.

SEBI may initiate suitable action against the Target Company for the delayed compliance of Chapter II of the Regulations.

Further, disclosure under Chapter II of the Regulations, were sent by courier to the Stock Exchanges by the Target Company. Target Company has sought confirmation from the stock exchanges in regard to receipt of disclosures made under Chapter II of the Regulations. Upon receipt of complete information SEBI shall examine the same and may initiate action against the Target Company in terms of the Regulations and provisions of the SEBI Act.

6.10 No investigations, proceedings, or inquiries are pending against JMC by the Securities and Exchange Board of India, or any other regulatory authority, in relation to the securities of JMC or trading therein or otherwise. JMC is in compliance with the Listing Agreements entered into with the Stock Exchanges and no penal actions have been taken against the Target Company.

6.11 The Board of Directors of the Target Company as on the date of Public Announcement is as under :

Name, Designation, Age, DIN	Date of Appointment	Residential Address	Qualification	Experience
Mr. D R Mehta (Non-Executive Chairman) Age: 73 DIN: 01067895	December 11, 2008	B-5, Mahavir Udyan Marg, Bajaj Nagar, Jaipur, Rajashthan – 302015	BA. LLB	He was the deputy Governor of Reserve Bank of India and Chairman of SEBI.
Mr. Hemant Modi, (Vice Chairman and Managing Director) Age: 55 DIN: 00171161	June 5, 1986	Plot No.363/A, Lane 18, Satyagrah Chhavni Society, Satellite Road, Ahmedabad-380 015	M.E (Civil)	He has having 27 years of experience in the field of management and execution of construction of Industrial structures and factory buildings.
Mr. Suhas Joshi (Managing Director) Age:55 DIN: 00171232	June 5, 1986	14, Vrundavan, Part-2, Thaltej Shilaj Road, Thaltej, Ahmedabad-380 059	B.E (Civil)	He has over 27 years of experience in the field of construction Industry
Mr. Kamal Jain (Non-Executive Director) Age: 53 DIN: 00269810	February 5, 2005	Plot No.110, Madhu Park, Nr. Shopping Centre, Sector 8B, Gandhinagar – 382 008	B. Com, CA	He has 25 years of experience in the field of finance, taxation, corporate affairs and human resource development
Mr. Mahendra G. Punatar (Independent Director) Age: 75 DIN: 00533198	January 30, 2006	1302, 13th Floor, Raheja Majestic, Nr.Starcity Cinema, Manmala Road, Marunga (W), Mumbai 400 016	B.E (Civil), M.E (Structural Engineering)	He has experience of 48 years in planning and designing structures like bridges, transmission line towers, production etc.
Mr. Ramesh Sheth (Independent Director) Age: 77 DIN: 00461393	October 1, 2007	7, Kanak Vihar, 511, Adenwala Road, Mumbai – 400 019	M.E (Civil & Structural Engineering)	He has over 52 years of experience in design of civil and structural work for factories, industries, institutional buildings, and large housing projects.
Mr. Manish Mohnot (Non-Executive Director) Age: 38 DIN: 01229696	May 29, 2009	C/4/11, Sunder Nagar, S V Road, Malad (W), Mumbai 400 064	B. Com, CA, ICWA	He has experience of 15 years in the field of Power, Oil & Gas, Water Shipping, Tourism, Railways etc.

Mr. Manish Mohnot (DIN: 01229696) and Mr. Mahendra Punatar (DIN:00533198), Directors of KPTL are on the Board of the Target Company. Further, Mr. Kamal Jain (DIN: 00269810), CFO of KPTL is also on the Board of the Target Company. They have recluse themselves from participating in any matters, including preparatory steps in relation to Offer, in compliance with the provisions of regulation 22(9) of the Regulations.

6.12 There are no mergers / demergers / spin offs during last 3 years involving the Target Company.

6.13 The financial highlights of JMC for the last three years and for the period ended June 30, 2010 (Standalone) are as follows:

(Rs. In Lacs)

Particulars	Year Ended March 31, 2008	Year Ended March 31, 2009	Year Ended March 31, 2010	Quarter ended June 2010
	Audited	Audited	Audited	Certified by the Statutory Auditors
Months	**12**	**12**	**12**	**3**
Income from operations	91,498.18	1,30,898.53	1,30,918.85	25,989.10
Other Income	564.16	1,045.85	1,180.73	243.59
Total Income	**92,062.34**	**1,31,944.38**	**1,32,099.58**	**26,232.69**
Total Expenditure.	84,763.84	1,21,129.23	1,21,110.23	24,002.92
Profit Before Depreciation. Interest & Tax	7,298.50	10,815.15	10,989.33	2,229.77
Depreciation	1,654.99	2,983.36	3,482.46	916.60
Interest	874.13	2,636.91	2,185.87	516.36
Profit Before Tax	**4,769.38**	**5,194.88**	**5,321.01**	**796.81**
Provision for Tax	1,697.79	1,518.76	1,350.84	255.99
Profit After Tax	**3,071.59**	**3,676.12**	**3,970.17**	**540.82**
Balance Sheet Statement				
Sources of funds				
Paid-up Equity share capital	1,814.03	1,814.03	2,176.83	2,176.83
Paid-up Preference Share Capital	2,525.00	2,525.00	-	-
Reserves and Surplus (excluding revaluation reserves)	12,989.51	16,015.61	22,897.85	23,438.68
Networth [Equity Share Capital + Reserves & Surplus (Excluding Revaluation Reserves) – Misc. Expenditure]	14,528.54	17,670.23	24,993.48	25,551.06
Revaluation Reserve	-	-	-	-
Secured loans	11,096.44	17,483.41	15,394.41	18,063.61
Unsecured loans	183.16	2,160.41	1,596.52	3,549.09
Deferred Tax Liability	1,139.57	770.01	710.17	628.12
Total	**29,747.71**	**40,768.47**	**42,775.78**	**47,856.33**
Uses of funds				
Net fixed assets	18,795.92	22,224.74	21,744.47	21,409.76
Investments	51.15	342.18	686.33	1,157.07
Net current assets	10,476.77	18,042.14	20,263.78	25,225.05
Total miscellaneous expenditure not written off	275.00	159.41	81.20	64.45
Total	**29,747.71**	**40,768.47**	**42,775.78**	**47,856.33**
Dividend (%)	20%	20%	20%	---
Earning Per Share* (annualized)	16.14	19.29	19.27	9.92
Return on Networth% (Net of Misc. Expenditure) (annualized)	21.14	18.21	15.88	8.48
Book Value Per Share*	80.09	111.33	114.82	117.37

Source: Annual Reports for FY 2008, 2009, 2010 and Financial Statements for the quarter ended June 30, 2010 duly certified by the statutory auditors of the JMC. *EPS & Book Value per share are not in lacs.

6.14 Reasons for rise and fall in Income and Profit after Tax during the last three years

Financial year ended March 31, 2010

Total Income for the financial year ended March 31, 2010 is Rs.1,32,099.58 lacs as against Rs. 1,31,944.38 lacs for the financial year March 31, 2009. Profit for the financial year ended March 31, 2010 is Rs. 3,970.17 Lacs as against the Profit for previous financial year ended March 31, 2009 of Rs. 3,676.12 lacs.

The Financial performance of the Target Company for the year 2009-10 has remained almost steady in line with the previous year.

The Target Company could not achieve growth mainly on account of abandonment of the major NHAI (National Highway Authority of India) road project by the client and delay in commencement of few power projects due to reasons beyond their control.

Profit after Tax has marginally improved on account of marginal reduction in Interest & Finance Charges mainly due to reduction in working capital loans from the banks due to equity infusion and availment of low cost finance and gain from the foreign exchange fluctuations.

Financial year ended March 31, 2009

Total Income for the financial year ended March 31, 2009 is Rs.1,31,944.38 lacs as against Rs.92,062.34 lacs for the financial year March 31, 2008. Profit for the financial year ended March 31, 2009 is Rs. 3,676.12 lacs as against the Profit for previous financial year ended March 31, 2008 of Rs. 3,071.59 lacs.

The Target Company has achieved a growth of 43% in total income over previous year. The major reasons for this achievement are the strong order backlog position at the beginning of the financial year and execution of some of the fast track projects during the year.

Profit after Tax has increased mainly on account of increase in total income, improvement in operating margin due to reduction in material cost and reduction in income tax provision. However, the said improvement was to some extent offset by increase in fixed cost such as interest, Salary & Depreciation

Financial year ended March 31, 2008

Total Income for the financial year ended March 31, 2008 is Rs. 92,062.34 lacs as against Rs. 50,200.48 lacs for the financial year March 31, 2007. Profit for the financial year ended March 31, 2008 is Rs. 3,071.59 lacs as against the Profit for previous financial year ended March 31, 2007 of Rs.1605.47 lacs.

The Target Company has achieved a growth of 83% in turnover over previous year. The major reasons for this achievement are strong order position at the beginning of the financial year and continuous focus on timely execution of projects during the year.

Profitability has doubled in absolute term on account of significant topline growth but remain steady in terms of percentage. This was on account of bad debt written off and higher depreciation on account of increased capex.

6.15 Pre and Post- Offer shareholding pattern of JMC as follows:

Sr. No.	Shareholder Category	Shareholding & Voting Right prior to the Offer		Shares/Voting Rights to be acquired through Preferential Issue which triggered the Open Offer		Shares/Voting Rights to be allotted on exercise of ESOPs (Assuming full conversation of ESOPs)		Shares/Voting Rights to be acquired in the Open Offer (assuming full acceptance)		Shareholding/Voting Rights after the Prefrential Issue and full conversions of ESOPs	
		A	%	B	%	C	%	D	%	E = A+B+C+D	%
1	**Promoter Group**										
a	KPTL (Acquirer)	11,540,247	53.01	4,350,000	16.48	-	-	5,280,687	20.00	21,170,934	80.18
b	Other Promoters	571,663	2.63	-	-	-	-	-	-	571,663	2.63
	Total (1)	**12,111,910**	**55.64**	**4,350,000**	**16.48**	**-**	**-**	**5,280,687**	**20.00**	**21,742,597**	**82.35**
2	ESOPs Conversion	-	-	-	-	285,085	1.08	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**	**285,085**	**1.08**	**-**	**-**	**-**	**-**
3	**Public**										
a	Banks/FIIs/SFIs/M.F./FIs	3,194,576	14.68	-	-	-	-	(5,280,687)	(20.00)	4,660,836	17.65
b	Others	6,461,862	29.68	-	-	285,085	1.08				
	Total (3)	**9,656,438**	**44.38**	**-**	**-**	**285,085**	**1.08**	**(5,280,687)**	**(20.00)**	**4,660,836**	**17.65**
	Grand Total (1+2+3)	**21,768,348**	**100.00**	**4,350,000**	**16.48**	**285,085**	**1.08**	**-**	**-**	**26,403,433**	**100.00**

Note: No shares of the Target Company have been purchased by the Acquirer after the PA till the date of this LOF. Percentages under column B, C, D and E are calculated on Emerging Voting Capital.

The total number of public shareholders as on October 22, 2010 is 12,995.

6.16 Since the SEBI (SAST) Regulations, 1997 came into effect, details of shares acquired / sold by promoter group is given below. The Promoter group has complied with the applicable provisions of Chapter II of the Regulations with delay as described below.

*Percentages have been computed based on the changes in the issued and subscribed capital.

Period	Mode of acquisition	*Shares acquired Number & (%)	*Shares sold Number & (%)	*Cumulative shares	Status of Compliance
1996-1997	Holding on the date of notification of the Regulations			8,11,139 (26.19%)	Complied
1997-1998	Purchase	11,500 (0.37%)		8,22,639 (26.59%)	Not Applicable
1998-1999	Purchase	1,700 (0.05%)		82,4,339(26.61%)	Not Applicable
1999-2000	Purchase	500 (0.01%)		8,24,839 (26.62%)	Not Applicable

Period	Mode of acquisition	*Shares acquired Number & (%)	*Shares sold Number & (%)	*Cumulative shares	Status of Compliance
1999-2000	Sale		410 (0.008%)	8,24,429 (26.61%)	Not Applicable
1999-2000^	Purchase	4,13,722 (8.90%)		12,38,151 (26.65%)	Not Applicable
2000-2001	Purchase	8,350 (0.18%)		12,46,501 (26.82%)	Not Applicable
2001-2002	Purchase	11,361 (0.24%)		12,57,862 (27.07%)	Not Applicable
2001-2002	Sale		3,500 (0.07%)	12,54,362 (26.99%)	Not Applicable
2001-2002	Purchase	100 (0.002%)		12,54,462 (26.99%)	Not Applicable
2002-2003	Sale		3,500 (0.07%)	12,50,962 (26.92%)	Not Applicable
2003-2004	Purchase	4,208 (0.09%)		12,55,170 (27.01%)	Not Applicable
2004-2005	Purchase	1,000 (0.00%)		12,56,170 (27.03%)	Not Applicable
2004-2005#	Sale pursuant to SPA by present promoters		12,11,314 (26.07%)		Complied with Chapter II of the Regulations
	Purchase pursuant to SPA by KPTL from present promoters	12,11,314 (26.07%)			Complied with Chapter II and Chapter III of the Regulations
	Purchase pursuant to SPA by KPTL from erstwhile Promoters	6,28,686 (13.53%)			Complied with Chapter II and Chapter III of the Regulations
	Purchases pursuant to acceptances in the open offer	68,442 (1.47%)		19,53,298 (42.03%)	Complied with Chapter II and Chapter III of the Regulations
2004-2005	Purchase	2,30,500 (4.96%)		21,83,798 (47.00%)	Complied with Chapter II of the Regulations
2005-2006	Purchase	2,000 (0.04%)		21,85,798 (47.04%)	Not Applicable
2005-2006**	Subscription in Rights Issue	36,85,533 (31.73%)		58,71,331 (50.54%)	Complied with Chapter II of the Regulations with delay of 8 days
2005-2006	Purchase	750 (0.00%)		58,72,081 (50.55%)	Not Applicable
2005-2006	Sale		1,950 (0.01%)	58,70,131 (50.53%)	Not Applicable
2005-2006	Purchase	1,67,900 (1.44%)		60,38,031 (51.98%)	Not Applicable
2006-2007	Conversion of Warrants	1,017 (0.01%)		60,39,048 (50.57%)	Not Applicable
2006-2007***	Subscription in Rights Issue	26,27,706 (15.84%)		86,66,754 (52.25%)	Not Applicable
2006-2007	Conversion of Warrants	50 (0.00%)		86,66,804 (51.92%)	Not Applicable
2006-2007	Purchase	2,000 (0.01%)		86,68,804 (51.93%)	Not Applicable
2006-2007@	Conversion of Warrants	12,27,443 (6.79%)		98,96,247 (54.72%)	Complied with Chapter II of the Regulations
2006-2007	Purchase	13,000 (0.07%)		99,09,247 (54.63)	Not Applicable
2007-2008	Sale		36,000 (0.20%)	98,73,247 (54.43%)	Not Applicable
2008-2009##	Purchase	2,19,984 (1.21%)		1,00,93,231 (55.64%)	Not Applicable
2009-2010@@	Subscription in Rights Issue	20,17,339 (9.27%)		1,21,10,570 (55.63%)	Not Applicable
2009-2010$$	Purchase	1,340 (0.01%)		1,21,11,910 (55.64%)	Not Applicable
2010-2011	Allotment in Preferential Issue	43,50,000 (16.65%)		1,64,61,910 (63.03%)	Complied with Chapter II of the Regulations. Present Offer is being made in terms of Chapter III of the Regulations

^The shares were acquired by way of Bonus Issue, therefore there was no change in the Promoter group shareholding.

#The Acquirer and M/s Kalpataru Energy Ventures Pvt Ltd. ('PAC') entered into an MOU/SPA with the Late Mr. I K Modi, Mr. Hemant Modi, Mr. Suhas Joshi and their relatives and M/s Minar Investments and Finance Private Limited ('Minar Investments') ('Sellers') for acquisition of 15,00,000 equity shares ('Transactions Shares') representing 32.28% of the equity paid up capital of the Target Company.

As per the terms of SPA, if the aggregate of valid shares tendered and accepted in the Offer and alongwith Transaction Shares, does not aggregate to 51% of the equity share capital of the Target Company, Mr. Hemant Modi, Mr. Suhas Joshi and Minar Investments undertook to sell additional equity shares so as to enable KPTL and PAC to hold atleast 51% of the equity share capital of the Target Company. In terms of the Regulations, a Public Announcement was made by the Acquirer to the shareholders of the Target Company in terms of regulation 10 and 12 of the Regulations.

Pursuant to SPA, the Acquirer acquired 18,40,000 equity shares from the present and erstwhile promoters of the Target Company. Further, the Acquirer also acquired 68,442 equity shares under the open offer.

Kalpataru Energy Ventures Private Limited which was one of the purchasers in the SPA have relinquished and surrendered all their rights, powers and claims in relation to the operation of JMC arising out of or pursuant to the SPA, including right to participate in the management of JMC in favour of KPTL, vide their letter dated February 11, 2005 addressed to KPTL.

By virtue of the above transaction, the promoters of JMC are Kalpataru Power Transmission Limited (KPTL), Mr. Hemant Modi and Mr. Suhas Joshi.

**In the year 2005-2006, promoter group acquired 36,85,533 equity shares by way of Allotment in Rights Issue, due to this allotment, the promoter group shareholding increased from 47.04% to 50.54% of the paid up capital of the Target Company.

***In the year 2006-2007, promoter group acquired 26,27,706 equity shares by way of Allotment in Rights Issue, due to this allotment, the promoter group shareholding increased from 50.57% to 52.25% of the paid up capital of the Target Company.

@In the year 2006-2007, promoter group acquired 12,27,443 equity shares by way of conversion of warrants into equity shares, due to this allotment, the promoter group shareholding increased from 51.93% to 54.72% of the paid up capital of the Target Company.

##Acquisition of 2,19,984 equity shares made by Acquirer in the year 2009-2010 are open market purchases.

@@In the year 2009-2010, promoter group acquired 20,17,339 equity shares by way of Allotment in Rights Issue, due to this allotment, the promoter group shareholding decreased from 55.64% to 55.63% of the paid up capital of the Target Company.

$$ Ms. Ami Hemant Modi had purchased 1,000 equity shares through Trading Member on April 16, 2008 from open market. The said shares were not transferred to the beneficiary demat account of Ms. Ami Hemant Modi, because the demat account was under “Suspension” and hence the 1,000 equity shares were held by trading member in its pool account. Further, in September 2009, the Target Company issued equity shares on Rights basis, where the Trading Member was allotted 340 equity shares. The said 340 equity shares were also held by the trading member in its pool account for the reason mentioned above. On January 6, 2010, on reconciliation of pool account by the trading member, it was informed to Ms Ami Hemant Modi about the status and on her instruction 1,340 equity shares were transferred to her demat account.

SEBI may initiate suitable action against the Promoters for the delayed compliance of Chapter II of the Regulations.

Further, disclosure under Chapter II of the Regulations, were sent by courier to the Stock Exchanges by the promoter group including Acquirer. Target Company has sought confirmation from the stock exchanges in regard to receipt of disclosures made under Chapter II of the Regulations. Upon receipt of complete information SEBI shall examine the same and may initiate action against the promoter group including Acquirer in terms of the Regulations and provisions of the SEBI Act.

6.17 The status of Corporate Governance is as follows:

JMC has duly complied with the various requirements of Clause 49 relating to corporate governance under the Listing Agreement with the Stock Exchanges from time to time.

6.18 Following is the summary pending litigations by and / or against JMC.

Litigation against JMC (Projects) India Limited (“JMC”)

Civil proceedings

1. BASF India Limited v. JMC

   Civil Misc. Application No. 336 of 2007 before the City Civil Court, Ahmedabad

   JMC was awarded a contract for civil and structural work by ACCO Industries Private Limited in October 1998. The stipulated period for completion of this contract was six months from the date of award of the contract. However, the scope of work provided for under the contract was not completed within the stipulated period, as a result of which JMC incurred additional expenditure towards execution of the contract. Consequently, on April 18, 2000 JMC invoked the arbitration clause under the contract and initiated arbitral proceedings claiming payment of dues amounting to Rs.84.66 Lacs. Subsequently, ACCO Industries Private Limited merged with BASF India Limited **(“BASF”)**, which is currently pursuing the proceedings. On October 15, 2004, BASF filed a counter claim for alleged damages amounting to Rs.670.21 Lacs. The arbitrator, by way of its award dated January 27, 2007 rejected the claims of JMC and BASF. Subsequently on April 27, 2007, BASF filed an application before the 19th City Civil Court, Mirzapur, Ahmedabad under Section 34 of the Arbitration and Conciliation Act, 1996 for setting aside the aforesaid award. JMC has filed its reply before the 19th City Civil Court, Mirzapur, Ahmedabad on January 1, 2008. The matter is pending further hearing.

2. Hemant H. Sajnani v. JMC and another

   Special Civil Suit No. 5 of 2005 before the Court of Civil Judge (SD) at Anjar, Kutch

   and

3. Hemant H. Sajnani v. JMC and another

   Special Civil Suit Nos. 6 of 2005 before the Court of Civil Judge (SD) at Gandhidham

   M/s. Victor India **(“VI”)** through its proprietor Mr. Sanjani (the **“Plaintiff”**), was awarded contracts for fabrication and erection work at different sites. The Plaintiff filed the present suits, contending amongst others, that the Plaintiff’s machineries have been illegally detained and for outstanding payments by JMC. Subsequently, pursis dated February 10, 2005 for a compromise regarding the detention of machineries were filed in the said suits by the respective parties whereon the Court passed an order dated February 10, 2005 granting the said pursis in both the suits. The Plaintiff, under the said orders, had been permitted to take away the machineries.

   The Plaintiff had filed applications in each of the said suits under Order 38 Rule 5 of Civil Procedure Code, 1908 praying for the deposit of the claim amount or attachment of properties lying at the site described in the said applications. Pursuant to the filing of the applications, JMC filed an application for rejecting the plaint under Order 7 Rule 11 of Civil Procedure Code, 1908 in both the suits. VI filed its reply to the said applications in both suits whereby it contended that the said applications filed by JMC were solely to delay the proceedings and denied all the averments in the said applications and prayed for the dismissal of the said applications. During the pendency of this application, Special Civil Suit No. 5 of 2005 was transferred to the Court of Civil Judge (S.D.) at Gandhidham. In Civil Suit No. 5 of 2005 the application under Order 7, Rule 11 was rejected on May 10, 2007. With respect to the application under Order 38 Rule 5 filed for attachment of the property in the Civil Suit No. 5 of 2005, the Court had passed an order directing JMC to furnish bank guarantee of Rs. 6 Lacs. JMC has accordingly furnished the bank guarantee of Rs. 6 Lacs. The matter is currently pending for framing of issues. In Civil Suit No. 6 of 2005, the Court passed an order to hear both the applications and the matter is currently pending for framing the issue.

4. M/s. Avatar Singh Contractors **("ASC")** v. JMC

Suit No. 29/2006 pending before the Court of Additional District Judge, Delhi

ASC was awarded a subcontract by JMC at M/s. Power Welfare Organization Site at Gurgaon, Haryana. It was alleged by ASC that in order to avoid a delay in execution of the project, a 5% incentive was promised (quantified at Rs. 1.20 Lacs approximately), provided that the work was completed on time. ASC alleged that the work was finished before time but JMC did not pay the promised incentive. Furthermore, of the amount alleged to be due after completion of the work, i.e., Rs. 5.80 Lacs, the outstanding amount of Rs. 2.80 Lacs was allegedly due and payable and thus, a total amount of Rs. 4 Lacs was due and payable. Thereafter, it was alleged that on September 15, 2004, ASC was handed over a cheque for an amount of Rs.1.70 Lacs, as full and final amount payable. ASC had deposited the cheque and the cheque was cleared.

ASC has denied that the matter was settled for the said amount of Rs. 1.70 Lacs citing certain notices exchanged between the parties. The suit has been filed for recovery of the alleged balance outstanding of Rs. 2.60 Lacs along with an interest of Rs. 0.60 Lacs (at the rate of 18% from the period of September 15, 2004 to March 31, 2006) and further interest pendente lite. The court by way of an order dated December 1, 2006 directed JMC to pay a sum of Rs. 1.10 Lacs.

5. Vasudev v. Delhi Metro Rail Corporation, JMC and AMI Construction Company

Civil Suit No. 337/2007 pending before the Senior Civil Judge, Tis Hazari Court, Delhi

Vasudev was the labour contractor of AMI Construction Company (**"AMI"**), sub-contractor of JMC, for the Delhi Metro Rail Corporation project. Vasudev had preferred this civil suit against the Delhi Metro Rail Corporation, JMC and AMI for recovery of an amount Rs. 1.30 Lacs. JMC has alleged that since Vasudev was employed by AMI, JMC was not responsible for any of the outstanding claim. JMC had filed a reply on January 24, 2008 and the matter is currently pending before the Senior Civil Judge, Tis Hazari Court, Delhi.

6. Wonderproof **("WP")** v. JMC

Civil Suit No. 339/2007 before the Civil Judge (SD), Gurgaon

WP was the subcontractor for the waterproofing works at a Gurgaon site. After the work-order was issued to WP by JMC, WP asked for a rate revision, which was not approved by JMC. After the completion of work, WP issued a notice to JMC for extra compensation as per the revised rates and for the balance outstanding on May 3, 2004. Thereafter another notice dated June 28, 2004 was issued by WP to JMC intimating that it was not required by WP to furnish a performance bank guarantee to JMC for warranty. JMC replied to both the notices on July 28, 2004, contending amongst others that a warranty was necessary as per the work order placed by JMC on WP and also that payments were withheld by JMC for not submitting the performance bank guarantee. Thereafter, JMC addressed a legal notice dated December 24, 2005 reminding WP, in terms of the subcontract, to provide a bank guarantee for 10% of the costs of works valid upto 180 days. As a result, WP has preferred this civil suit, claiming an amount of Rs. 19 Lacs with interest at the rate of 18% per annum. JMC has filed a reply and the matter is now fixed for evidence.

7. Protex Engineering Private Limited (**"Protex"**) v. JMC

Special Summary Suit No. 45/2008 pending before the Civil Judge (SD), Pune

Bajaj Auto Limited (**"Bajaj"**) had awarded a contract to JMC for the construction of its Product Engineering Test House (**"PE Test House"**) at Akurdi, PCMC, Pune. JMC had entered into a contract with Protex and had allotted the work of heating ventilating and air conditioning and mechanical services at the PE Test House to Protex. According to JMC, on account of a delay on the part of Protex, the overall completion of the project was delayed and Bajaj had imposed a penalty on JMC. As per JMC, the contract was on a back to back basis with Protex and therefore JMC has recovered some amount from Protex as penalty, as per the terms of the contract.

Protex issued a legal notice to JMC on February 23, 2007 and the same was replied to by JMC. Thereafter, Protex preferred a summary suit under Order 37 of the Civil Procedure Code claiming an amount of Rs. 42.86 Lacs, in response to which JMC had filed for leave to defend an application against a summons for judgment. Thereafter, on December 12, 2008, Protex filed a reply to the leave to defend application filed by JMC. The matter was argued at length on January 20, 2009 pursuant to which the Court has allowed the application of leave to defend filed by JMC and has granted unconditional leave to defend. Thereafter JMC has filed its written statement in the suit. The matter is currently pending for framing of issues.

8. Bharat Heavy Plate and Vessels (**"BHPV"**) v. JMC

AOP 1118/2008 pending before the Principal District Judge, Vishakhapatnam

JMC was awarded a contract for certain civil and structural work (**"Work"**) for BHPV in Mumbai in February 2000 with a stipulated completion period of 11 and a half months. According to JMC, the Work was delayed on account of a delay in providing drawings and materials by BHPV. Consequently, JMC had to incur extra expenditure. During the pendency of JMC's representation for consideration of its claims for delay in payment and overheads incurred during the extended period, BHPV unilaterally decided to levy liquidated damages on JMC for the delay in completion of work, which it subsequently levied. JMC thereafter invoked the arbitration clause leading to the present proceedings.

BHPV filed a reference to the Board for Industrial and Financial Reconstruction (**"BIFR"**) under the Sick Industrial Companies (Special Provisions) Act, 1985. BHPV also preferred an application for staying the arbitration proceedings in view of the said reference. However, the Arbitral Tribunal rejected the same on February 4, 2005. BHPV had approached the High Court of Andhra Pradesh at Hyderabad by way of a writ petition no. 2783 of 2005, challenging the order passed on February 4, 2005. The High Court by its order dated March 11, 2005 had suspended the operation of the impugned order. Subsequently, JMC had filed a counter affidavit in the said writ petition to vacate the stay granted and to dismiss the writ petition with costs. JMC had also filed a vacate stay petition to vacate the stay granted in the writ petition. By way of an order dated September 21, 2005, the High Court dismissed the writ petition no. 2783 of 2005. Subsequently, the Arbitral Tribunal passed an award dated July 18, 2008 directing BHPV to pay to JMC an amount of Rs. 64.78 Lacs plus interest at the rate of 9% per annum from February 21, 2002 till payment thereof along with arbitration cost of Rs. 1.50 Lacs. The remainder of JMC's claim was dismissed without cost. BHPV had filed this application for setting aside the said award passed by the Arbitral Tribunal. JMC had filed a reply to the application on July 24, 2009. The matter is pending for hearing.

9. Larsen and Toubro (**"L&T"**) v. JMC

Civil Miscellaneous Application No. 80/2009 pending before the City Civil Court at Ahmedabad

The work for construction of Ahmedabad-Mehsana Road was awarded to JMC by L&T in July 2000 with a stipulated completion period of 24 months. Apparently, during the period of execution, JMC was instructed to execute certain tasks that were beyond the items specified in Bill of Quantities and the project was delayed due to the reasons not attributable to JMC. JMC claimed reimbursement of escalation as per the escalation formulae given in the contract.

The claim of JMC was not honoured and hence JMC, after appointing an arbitrator of its own, preferred arbitration petition No. 5 of 2004 before the High Court of Gujarat for appointment of the second arbitrator. However, the High Court by its order dated June 30, 2005 appointed Retd. High Court Judge, Justice N. G. Nandi, as the sole arbitrator. The sole arbitrator fixed the date of first hearing as January 8, 2006. However, the retired Justice N. G. Nandi expressed his inability to conduct the arbitration in view of his appointment as the President of Gujarat State Consumer Dispute Redressal Commission.

JMC thereafter filed an application dated March 27, 2006 for the appointment of a sole arbitrator before the High Court of Gujarat. The Court by way of its order dated August 24, 2006 appointed Justice M. S. Parikh (Retd.) to act as the sole arbitrator. The Arbitral Tribunal passed an award on November 14, 2008 directing L&T to pay a sum of Rs. 445.59 Lacs including interest at the rate of 15% from the date of reference till the date of award, within three months, failing which further interest would be charged at the rate of 18% from the date of award till payment. L&T has filed this application for setting aside the award passed by the Arbitral Tribunal. JMC has filed a reply to this application on September 9, 2009. L&T has filed Rejoinder on August 23, 2010 to the reply filed by JMC and the matter is currently pending.

10. K. Varun Veera Reddy v. JMC

OS No. 527/2009 pending before the Additional Junior Civil Judge, Kukatpally, R.R District at Miyapur, Hyderabad, Andhra Pradesh.

Mr. Reddy has filed this suit before the Additional Junior Civil Judge, Kukatpally, R.R District at Miyapur, Hyderabad, Andhra Pradesh alleging that a project being executed by JMC in front of his gated community houses is creating a nuisance on account of dumping of construction materials and use of construction machinery and vehicles by JMC. JMC has filed an appearance in the matter and the suit is currently pending for filing of written statements by the parties.

11. M/s. R. V. Technocrats v. Alstom Projects India Limited and JMC

Suit No. 90 of 2010 pending before Upper District and Sessions Court, Kota, Rajasthan

Mrs. Manju Godha, wife of Mr. Arun Godha, proprietor of M/s. R.V Technocrats, has filed this suit before the Upper District and Sessions Court, Kota, Rajasthan in relation to an allegedly due payment of Rs. 346,950, which includes interest amounting to Rs. 37,173. JMC has filed an appearance in the matter and the suit is currently pending for filing of written statements by the parties.

12. MechTech Engineers v. JMC

Civil Miscellaneous Application No. 29/2010 pending before the City Civil Court at Ahmedabad

JMC had placed an order for a stone crushing plant from MechTech Engineers, Vadodara. This plant was to be commissioned and utilised at JMC's Badanawar to Thandla road project in Madhya Pradesh. Consequently, pursuant to several delays, the plant was erected but failed to perform as expected. As a result, JMC claimed damages from MechTech Engineers which was subsequently referred to a sole arbitrator. This application pertains to the arbitral award published by the sole arbitrator, A. B. Desai, directing JMC to pay MechTech Engineers an amount of Rs.39.16 Lacs. MechTech Engineers have filed this civil miscellaneous application no. 29/2010 before the City Civil Court of Ahmedabad to consider their overall claims. JMC is yet to file a reply to this application.

Tax proceedings

13. JMC is currently involved in certain disputes in relation to VAT liability for the assessment years 2005-06, 2006-07, 2007-08 and 2008-09.

For assessment year 2005-06, JMC has been re-assessed by the Joint Commissioner of Commercial Taxes – Administration of Rs.26.40 Lacs, thereby disallowing a deduction of composition of tax (**"COT"**) purchases from the total turnover of JMC on February 28, 2009.

For assessment years 2006-07 and 2007-08, JMC has been re-assessed, pursuant to an order passed by the Joint Commissioner of Commercial Taxes – Appeals on September 30, 2009, with a VAT liability of Rs. 1047.40 Lacs. JMC has filed an appeal before the Karnataka Appellate Tribunal on December 10, 2009 in relation to the order passed by the Joint Commissioner of Commercial Taxes – Appeals and the dispute is currently pending before the Karnataka Appellate Tribunal. The Karnataka Appellate Tribunal, by way of its order dated March 15, 2010 has granted a stay in favor of JMC.

For assessment year 2008-09, the Commercial Tax Officer (Enforcement X) had assessed and issued a demand notice dated November 7, 2009 for a total liability of Rs.892.70 Lacs. JMC has admitted liability for Rs.27 Lacs. The disputed liability of

Rs. 865.70 Lacs included interest and penalty, demand for recovery of a difference of VAT amounting to Rs. 636.18 Lacs at 8.50% on iron and steel and a disallowance of Rs. 42.18 Lacs for deduction of COT purchases. Subsequently, JMC approached the Joint Commissioner of Commercial Taxes – Appeals and on re-assessment the Joint Commissioner of Commercial Taxes – Appeals by way of an order dated February 25, 2010, dismissed the appeal and upheld the order passed the Commercial Tax Officer (Enforcement X). JMC has filed an appeal before the Karnataka Appellate Tribunal, in relation to this order of the Joint Commissioner of Commercial Taxes – Appeals. The Karnataka Appellate Tribunal, by way of its order dated April 15, 2010 has granted a stay in favor of JMC. Karnataka Appellate Tribunal has by its order dated October 18, 2010 has confirmed the demand of Rs. 42.18 Lacs on account of disallowance of deduction of COT purchases and ordered recovery of interest at 1.25% p.m., and imposed a penalty of Rs. 4.22 Lacs. The demand of Rs. 636.18 Lacs on account of difference of VAT at 8.50% on iron and steel has been quashed.

Labour proceedings

14. Satyarayan Ozha (**"SO"**) v. JMC

Workmen's Compensation Non Fatal Case No.32/2004 pending before the Court of Commissioner of Workmen's Compensation, Bhavnagar.

SO has alleged that he met with an accident on July 13, 1999. SO, in his application, alleges that he, being a project engineer, is a workman in terms of the Workmen's Compensation Act, 1923. He claimed that he had sustained multiple fractures on his body due to the accident which he claims to have met with while on official duty. He alleges that as a result of the said accident, he has suffered 100% permanent disability and has therefore claimed an amount of Rs. 6.90 Lacs along with interest at the rate of 18% per annum. He has alleged that the compensation, allegedly payable by JMC, has not been deposited by JMC within 30 days with the Commissioner and for the said reason, he has prayed that JMC may be called upon to pay a penalty equivalent to 50% of the compensation amount. The matter is currently pending.

15. Sukhabhai Rambhai (**"SR"**) v. JMC

Recovery Application No. 11/2006 pending before the Labour Court, Godhra

SR has filed this recovery application claiming to be a labourer. Whilst giving the breakup of his claim against JMC, he has alleged that out of his alleged aggregate dues of Rs. 5.56 Lacs, an amount of Rs. 3.80 Lacs has been paid and a balance of Rs. 1.16 Lacs is allegedly outstanding. To the said alleged outstanding, he has made further claims of Rs. 0.44 Lacs, Rs. 0.33 Lacs and Rs. 0.16 Lacs towards plastering and attendance which aggregates to a sum of Rs. 2.70 Lacs. SR has claimed an amount of Rs. 27.04 Lacs being ten times the amount of the claim calculated as aforesaid and interest thereon plus Rs.500 towards costs. The matter is pending.

16. Sanjay Kumar Jaiswal (**"SKJ"**) v. JMC

Spl. Civil Suite No. 315/10, The Court of Civil Judge, Senior Division, Nagpur

SKJ was a Civil Engineer and was working in JMC as Assistant General Manager (AGM)-Execution and posted at BBPP site, Boutibori, Near Nagpur. SKJ resigned from his service on September 30, 2009 which was accepted by JMC vide its letter dated October 3, 2009. JMC has vide its letter dated December 9, 2009 sent the full and final statement to SKJ claiming an amount of Rs.0.11 Lacs payable by SKJ to JMC. In the mean while, before receiving the letter from JMC, SKJ sent a letter dated December 12, 2009 detailing amount receivable by him. SKJ issued a legal notice on January 20, 2010 claiming an amount of Rs.2.72 Lacs along with interest of Rs.0.14 Lacs towards his dues and also instituted the present suit. The matter is pending.

Other Cases

17. JMC is one of the defendants/opponents in 10 motor accident claim petitions pending before various Motor Accident Claims Tribunals. In each of the matters, the vehicle involved, which is owned by JMC, is insured. The total claim of these petitions is Rs. 77.40 Lacs. The insurance company has certified that each of these vehicles is covered and that the amount awarded by the Motor Accident Claims Tribunals, if any, shall be paid.

Notices received by JMC

18. Show Cause Notice No. F.NO:DGCEI/AZU/12 (4) 124/2008-09 dated October 22, 2008 issued by the office of the Directorate General of Central Excise Intelligence (DGCEI) and SCN No. STC/457/O&A/DIV-II/ 2009 dated October 23, 2009

The Additional Director General (DGCEI), Ahmedabad ("ADG") had issued a show cause cum demand notice dated October 22, 2008 (**"SCN"**) to JMC in relation to (i) a demand and recovery of service tax amounting to Rs.707.32 Lacs under section 73 of the Finance Act, 1994; (ii) a demand and recovery of interest at the appropriate rate for delay in payment of such service tax in accordance with section 75 of the Finance Act, 1994; and (iii) imposition of penalty under sections 76 and 78 of Finance Act, 1994.

By way of the SCN, the ADG has alleged that JMC had opted for the composition scheme of works contract for payment of service tax at a concessional rate of 2% (4% from February 28, 2008) from the date of enactment of the Works Contract (Composition Scheme for Payment of Service Tax) Rules, 2007 (June 1, 2007) on ongoing projects. However, prior to June 1, 2007, JMC was paying service tax by categorizing such services either under 'commercial or industrial construction service' or under 'construction of complex service' at the effective rate specified in section 66 of the Finance Act, 1994. However, the ADG concluded that a service which was already provided and for which service tax was already paid under any category of taxable service prior to June 1, 2007 was not eligible for exercising the option of the composition scheme of works contract for payment of service tax. As per sub-Rule (3) of Rule 3 of the Works Contract (Composition Scheme for Payment of Service Tax) Rules, 2007, the benefit of payment of service tax at a concessional rate of 2% was not available on such contracts and JMC was required to pay service tax at the nominal rate specified in section 66 of the Finance Act on the value of taxable service determined as per the provisions of Rule 2A of the Valuation Rules read with section 67 of the Finance Act on the consideration received during the period of June 1, 2007 to July 31, 2008 on the services provided under the aforesaid 34 contracts and has quantified the alleged short payment of service tax at Rs.707.30 Lacs. JMC replied to the SCN on May 18, 2009 after which, on December 14, 2009, the

ADG issued an addendum to the SCN on the ground that the change of categorization of service from 'commercial or industrial construction services' to works contract services was not permitted and accordingly, the demand was revised to Rs. 2053.90 Lacs. On May 17, 2010, a corrigendum to SCN was issued revising the demand to Rs.2179.20 Lacs.

Commissioner of Service Tax by his order dated October 28, 2010 has confirmed the demand of Rs. 2179.20 Lacs and also ordered recovery of interest u/s 75 at applicable rates. Penalty is also imposed u/s 76 at Rs. 200 per day during which the failure to make payment continue or at 2% p.m. of Service Tax, whichever is higher as well as u/s 78 of Rs.2179.20 Lacs equivalent to demand confirmed.

For the subsequent period i.e. August 1, 2008 to July 31, 2009, Commissioner of Service Tax issued SCN demanding additional service tax of Rs. 422 Lacs on the same ground as mentioned in the addendum to SCN issued by ADG. During the personal hearing on September 13, 2010 before the Commissioner of Service Tax, JMC has filed the reply to both the above SCNs.

Commissioner of Service Tax by his order dated October 29, 2010 has confirmed the demand of Rs. 422.05 Lacs and also ordered recovery of interest u/s 75 at applicable rates. Penalty is also imposed u/s 76 at Rs. 200 per day during which the failure to make payment continue or at 2% p.m. of Service Tax, whichever is higher as well as u/s 78 of Rs. 422.05 Lacs equivalent to demand confirmed. The Company is in process of filing an appeal before the Tribunal within the prescribed time period of 90 days from the date of this order.

For the further subsequent period i.e. August 1, 2009 to June 30, 2010, Commissioner of Service Tax has issued SCN dated October 5, 2010 demanding additional service tax of Rs. 93.90 Lacs on the same ground as mentioned in the addendum to SCN issued by ADG.

The Company is in the process of filing an appeal before the Tribunal within prescribed time period of 90 days from the date of receipt of the order.

19. Notice dated June 2, 2004 issued by Shiva Buildtech Private Limited **("SBPL")**

JMC had received a notice from SBPL for non-payment of outstanding dues, claiming an amount of Rs. 6 Lacs alongwith interest at the rate of 18% per annum since December 2002. SBPL was the contractor for constructing internal roads at a site at Gurgaon. SBPL raised bills against the work done by it. SBPL issued a notice dated June 2, 2004 for release of its dues. JMC replied to the said notice on July 29, 2004 disputing, amongst others, the amount so claimed and called upon SBPL for reconciliation of accounts. There has been no further development thereafter.

20. Notice dated April 21, 2003 issued by M/s AOS Systems **("AOS")**

JMC has received a notice from AOS for wrongful termination of a contract and recovery of outstanding dues amounting to Rs. 5.84 Lacs along with interest at the rate of 18% per annum till payment. JMC had issued a purchase order to AOS for supply of certain goods/materials. However, on account of defects in the goods/materials installed by AOS, AOS was asked to rectify the same by JMC. Due to non-compliance by AOS, JMC cancelled the order by way of a letter dated February 20, 2003. In response, AOS gave a notice dated April 21, 2003 calling upon JMC to pay alleged outstanding bill amounts. JMC replied to the said notice by way of a letter dated May 14, 2003 denying the contents and allegations of the notice. AOS, by way of a letter dated May 21, 2003, replied reiterating its demand. By way of a subsequent letter dated July 19, 2003, JMC denied its liability. JMC has thereafter, by way of its letters dated February 19, 2004 and May 3, 2004, asked AOS to remove the defective goods/materials supplied at the site, failing which, JMC would be constrained to dispose of the same at the risk and cost of AOS. Subsequently, JMC has returned the said goods to AOS.

21. Notice dated September 24, 2004 issued by T. Arjun Singh **("Mr. Singh")**

JMC had received a notice from Mr. Singh for non-release of outstanding dues, wrongful debit of amounts by JMC without clarifications, and non-reimbursement of the compensation by JMC paid for the death of labourer at site by Mr. Singh amounting to Rs. 3.35 Lacs. Mr. Singh had performed works at certain sites. As per Mr. Singh, the payments under different heads were not made to him by JMC. As a consequence, Mr. Singh issued this notice dated September 24, 2004 for payment of the alleged outstanding amounts.

22. Notice dated October 12, 2004 was issued by M/s Ganapathy Electrical Engineering Company **("Ganapathy")**

JMC has received a notice from Ganapthy for non-payment of an outstanding amount of Rs. 1.30 Lacs along with interest at the rate of 18% per annum from the due date. Ganapathy carried out electrical works at one of the sites. Ganapathy had issued a notice to JMC for release of the outstanding amounts. However, JMC by way of a letter dated March 15, 2005, replied to the said notice, pointing out that as per discussions held between JMC and Ganapathy, the latter was to identify and mark the quantity and material described in their bill, to enable JMC to process their claim. By way of a letter dated May 16, 2005, to JMC, Ganapathy has stated that Rs. 1.34 Lacs is the outstanding amount and has further requested for payment of the same.

23. Notice dated July 16, 2005 issued by Bharti Cellular Limited **("BCL")**

JMC has received a notice from BCL for conciliation under the provisions of Arbitration and Conciliation Act, 1996, for dispute regarding non-payment of outstanding amount of Rs.0.25 Lacs. BCL has alleged that an amount of Rs.0.24 Lacs (after adjusting deposit, if any) is due and payable by JMC to BCL and that BCL had issued several reminders on this behalf. By way of the said letter, BCL sought conciliation in this regard on August 8, 2005, failing which BCL has threatened to initiate legal action. JMC has replied, by way of its letter dated August 13, 2005 denying, amongst others, any balance due to BCL as also the alleged correspondence.

24. Notice dated July 15, 2005 issued by Bharti Cellular Limited **("BCL")**

JMC has received a notice from BCL claiming an amount of Rs. 0.14 Lacs and alleging offences contemplated under sections 405, 406 and 420 of the Indian Penal Code relating to non-payment of outstanding amounts. BCL has alleged that an amount of Rs. 0.13 Lacs (after adjusting deposit, if any) is due and payable by JMC to BCL. By way of the said letter, BCL has called upon JMC to pay the said amount within seven days from the date of receipt of the notice, failing which, it shall initiate civil and criminal proceedings including orders for attaching the income of JMC. JMC has, by way of a letter dated August 13, 2005, replied to this letter, denying the allegations and has further contended that no balance is due as alleged.

25. Notice dated September 24, 2005 issued by New S. Kumar Roadlines **("SK")**

JMC has received a notice from SK for recovery of outstanding dues of Rs. 0.21 Lacs along with running interest at the rate of 18% from July 7, 2005. SK claims to have been awarded a work order, whereunder, it had carried out transportation of certain goods consignments and claims that an amount of Rs. 0.21 Lacs is outstanding since July 2005. By way of the said notice, SK has called upon JMC to pay the said amount alongwith running interest at the rate of 18% from July 2005 within seven days of the receipt of the notice. JMC had sent a reply dated December 22, 2005 to SK's advocate denying the contents of the said notice as well as the alleged dues. However, the said letter has been returned unserved. Therefore, JMC, by way of its advocate's letter dated December 31, 2005, forwarded a copy of the earlier reply, along with the copy of the registered A. D. Slip, evidencing dispatch of the earlier reply to P. Sureshkumar Sharma, the Proprietor of SK.

26. Notice dated October 14, 2005 issued by Mr. P. L. Nachiappan **("PLN")**

JMC received a notice from PLN for non-release of salary and claimed a total amount of Rs. 0.33 Lacs. PLN has stated that on account of his resignation due to family reasons, he has not received salary for the entire month of March 2002 as well as salary for 14 days of April 2002, local conveyance reimbursement from January 2002 to April 2002 at the rate of Rs. 1,250 per month, leave travel allowance for 2000-01 and 2001-02, statutory bonus for 2001-2002, and Rs. 1,000 towards notice cost. JMC has by way of its letter dated November 25, 2005 replied to the said notice whereby it has pointed out that by way of a cheque dated February 27, 2003, JMC has already paid the outstanding amount to the tune of Rs. 13,179 and that there are no dues outstanding.

27. Notice dated November 11, 2005 issued by Nrusingh Charan Swain **("NCS")**

JMC has received a notice from NCS claiming an amount of Rs. 0.48 Lacs towards outstanding labour payment. NCS was a sub-contractor of JMC at M/s. Pushpgiri Institute of Medical Science, Thiruvalla, Kerala and claims to have worked from April 22, 2005 to May 22, 2005 with 23 labourers. NCS claims that he was allegedly entitled to Rs. 0.53 Lacs towards the payment of labour wages but was paid an aggregate amount of Rs. 5,556 on different occasions.

28. Notice dated April 7, 2005 issued by M/s Natcoms Hiring Services **("NHS")**

JMC received a notice from NHS claiming Rs. 19,000 towards outstanding charges for hiring a de-watering pump. NHS alleged that JMC has hired dewatering pumps for work undertaken at Bandra, Mumbai, Mhape, Navi Mumbai, BSM Site and D.Y. Patil College, Nerul, Navi Mumbai. Bills certified by JMC to the extent of Rs. 0.69 Lacs have been part paid by JMC to the extent of Rs. 0.50 Lacs leaving a balance of Rs. 18,599 as outstanding.

29. Notice dated March 21, 2006 issued by Asian Heart Institute and Research Center **("AHI")**

JMC has received a notice from AHI calling on JMC, amongst others, to rectify/repair water proofing and leakage problems, due to alleged poor workmanship and use of alleged sub-standard construction material by JMC and threatening of initiating criminal action and approaching media, including the print, television and such other agencies with the aforesaid issue. AHI had retained the services of JMC for execution of Structural and Civil Works for the sub structure and super structure for Hospital Block, at Bandra (E), Mumbai. However, after completion of the work, AHI, alleging poor quality of work, has called on JMC to, amongst others, rectify/repair the alleged water proofing and leaking problems at various floors. It has alleged that JMC is liable for breach of contract, supposedly on account of poor workmanship and sub-standard construction material allegedly used by JMC. AHI has also alleged that JMC has committed criminal breach of trust and fraud/cheating under sections 405, 406, 415, 417, 499 and 500 of the Indian Penal Code, 1908 and has threatened criminal action against JMC. JMC, by way of its reply dated April 12, 2006 has denied its alleged liability and has contended that the works sought from JMC were not covered under the guarantee as they had occurred solely on account of decisions taken by AHI and for factors beyond purview and control of JMC. JMC has also stated that the waterproofing treatment has been damaged and tampered with by actions taken by AHI after completion of activity and hence the guarantee referred to by AHI has been rendered void. JMC has denied that it has committed breach of contract. JMC has stated that it had gone out of the way, though not bound contractually/legally, and had suggested remedial measures to address the problems faced by AHI. JMC has stated that the main cause for non commencement of the repair was the lack of taking a decision on the part of AHI. Furthermore, JMC has also cautioned AHI against false criminal litigation, and that such action shall be met with strong and appropriate resistance, entirely at the risk and cost of AHI. It has further cautioned AHI against the threatened false public maligning of JMC and that in such eventuality, JMC has stated that it shall be constrained to take appropriate and fitting action against AHI, including action for defamation. AHI, by way of its letter dated June 26, 2006, has denied the contents of the reply by JMC and alleged that it had informed JMC of the leakages within reasonable time. AHI has also denied that it has done tampering of any kind on main terrace or on any of the floors. It has also denied that guarantee has become inoperative. It has called upon JMC to rectify/repair the water proofing, failing which it has threatened to commence repair works by itself, as also initiate legal proceedings, both civil and criminal, at the risks and costs/liability of JMC. JMC thereafter on June 4, 2007 sent a reply to the counter reply of AHI and denied the contents thereof.

30. Notice dated March 16, 2006 issued by Office of the Regional Labour Commissioner I, New Delhi **("LC")**

JMC has received a notice from LC claiming Rs.1.32 Lacs towards non-payment to Dilip Yadav and 13 others from October 08, 2005 to February 6, 2006. The subject notice has been issued by LC on receipt of complaint from one Mr. Dilip Yadav and others. In the said complaint, it has been alleged that Mr. Dilip Yadav and 13 others had not been paid a sum of Rs.1.32 Lacs, being the balance outstanding of their alleged dues for work done from October 8, 2005 to February 6, 2006 for work done by them towards the digging, etc. of Sewer lines for DMRC project from Moti Nagar to Tilak Nagar. LC, by way of the subject notice, has called upon JMC to offer its comments and attend its office with records and registers related to the complaint. JMC, in this connection, has addressed a letter to M/s. AIM Construction (the Labour Contractor), with a copy marked to the Asst. Labour Commissioner, seeking the details of the dispute regarding the payment to the workers.

31. Notice dated December 10, 2005 issued by S. K. Nayak

JMC has received a notice from S. K. Nayak claiming an amount of Rs.0.95 Lacs towards non-payment of alleged security deposits. S. K. Nayak got certain work orders as PRW (Piece Rate Worker) on various site of JMC. By way of the notice, Mr. Nayak has contended that security deposit deducted from his bills has not been remitted to him and on this count he has claimed an aggregate amount of Rs.0.95 Lacs. JMC, by way of its reply dated January 5, 2006, has contended that a sum of Rs. 308 is outstanding in his account, which shall be released after Mr. Nayak's acceptance of the same with no claim declaration as per the format.

32. Notice dated October 3, 2007 issued by M/s Quality Intex **("QI")**

JMC has received a notice from QI for recovery of outstanding dues of Rs.6.09 Lacs along with interest at the rate of 18% per annum and threat of initiating criminal and civil action including filing of winding up proceedings. QI was awarded certain work order as per the letter of intent dated September 7, 2001 and work order dated September 23,2001 of Aluminum and Fabrication Work for M/s. Sekhsaria Chemicals Limited ("Sekhsaria") by JMC on back to back basis. By way of the notice, QI has contended that invoices no. 84 dated April 2, 2002 and no.98 dated May 28, 2008 raised are not fully paid and an amount of Rs.6.09 Lacs is unpaid. JMC, by way of its reply dated March 21, 2008, amongst others, denied the liability and has contended that due to poor workmanship and due to leakage through the aluminum windows in the monsoon Sekhsaria has suffered damages which made Sekhsaria to carry out rectification work. Sekhsaria has imposed upon JMC penalty due to the said loss and that since the work was awarded to QI on back to back basis, the penalty as been passed on to QI.

33. Notice dated September 22, 2008 issued by Avtar Singh Construction Company Private Limited **("Avtar Singh")**

JMC has received a notice from ASCC for recovery of outstanding amount Rs.50.24 Lacs along with interest at the rate of 24%. ASCC was allotted work for Trichy, Madurai NH-45 B Road Project by JMC. In the said notice ASCC has alleged that inspite of several reminders as well as assurance from various officers of JMC including Vice President and Managing Director, an amount of Rs. 6.77 Lacs, which was allegedly wrongly debited, was not released to it. ASCC has further claimed that inspite of its request to return Bank Guarantee of Rs. 20 Lacs, refund security deposit amounting to Rs. 43.46 Lacs JMC has not returned/refunded the same. ASCC has therefore claimed an amount of Rs.50.24 Lacs alongwith interest at the rate of 24% p.a. and also asked JMC to return Bank Guarantee of Rs. 20 Lacs within 15 days. JMC, by way of its reply dated December 26, 2008, amongst others, denied the contentions/liability raised in the notice and stated that the work referred in the notice were duly completed as per the terms and conditions. It is further stated that ASCC has neither submitted the final bill of his claim nor obtain the desired store clearance. It was further stated in the reply that ASCC has committed the breach of the terms of the agreement and therefore is liable for liquidated damages as provided under the terms of the agreement. By way of a letter dated February 12, 2009, ASCC responded to the reply of JMC dated December 26, 2008. In the said reply while denying the contentions raised in JMC's reply, forwarded the final bill Nos. 1 and 2 and stated that it is willing to settle the disputes and differences amicably with mutual negotiation and called upon JMC to release the total amount demanded by way of a notice dated September 22, 2008 and settle the bill within a period of 20 days in case of denial. It is further stated in the said reply that in case if JMC is not ready to make payment and settle the dispute amicably then it shall appoint Arbitrator within a period of 30 days from the date of receipt of this request as per the terms of arbitration clause.

34. Show case notice dated September 28, 2004 issued by The Regional Director, Employee State Insurance Corporation Ahmedabad **("ESIC")**

JMC has received a show cause notice from ESIC for Non submission of declaration forms under Regulation No. 11, 12 and 14 of the ESI (General) Regulations, 1950, Non submission of particulars in Form–01 as required under section 2A of the ESI Act, 1948 read with the ESI (General) Regulations, 1950, Non submission of return of contribution under Regulation No. 31 of ESI (General) Regulations, 1950, stating the names of Mr. I. K. Modi, Mr. Hemant Modi, Mr. Suhas Joshi, Mr. Arun Gandhi, Mr. N. K. Patel and Mr. Ajay Mehta as principal employers of the factory/establishment of JMC requiring JMC to show cause as to why they should not be prosecuted for the charges, under sections 85/85-A/85-C of the ESI Act, 1948. It is also stated that under section 85-B of the ESI Act, the Corporation is entitled to recover the amounts payable under the ESI Act from the Employers. JMC replied on October 8, 2004, amongst others giving detailed reasons for not providing the information to the Area Inspector. JMC requested that an officer be deputed for inspection. Pursuant thereto, ESIC officials conducted inspection on 4th, 5th and 13th April 2005 and called upon JMC for certain compliances which JMC abided by way of deposit of Rs. 1.06 Lacs and Rs.4,817 on April 20, 2005 and April 30, 2005 respectively. Subsequently, JMC, by way of its letter dated May 6, 2005, has brought to the notice of ESIC, the aforesaid compliances and has requested that the show cause notice dated September 28, 2004 be withdrawn.

35. Notice dated January 12, 2006 issued by Office of the Assistant Labour Officer Balugaon, Dist, Khurda, Orissa **("LC")**

JMC has received a notice from LC for a claim of Rs.5.50 Lacs towards non-payment to 60 workers. The letter has been addressed to the Managing Director of JMC. The letter states that two groups of workers had filed separate complaints before the LC alleging that the Labour Contractor, one Mr. Dhrub Guru, had not paid their wages to the tune of Rs.2.87 Lacs and Rs.2.64 Lacs in respect to the work done by them at Surya Park Site and the Digital Site of JMC, respectively. The notice further records that in course of inquiry/discussion, the Labour Contractor alleged that it had not received payment to the tune of Rs.6.48 Lacs from JMC. The notice records that letters issued to Project Manager of JMC, forwarding details of alleged claims of the workers and the alleged dues of the Labour Contractor, remained unattended, and hence the subject letter. The letter calls upon JMC to look into the matter and send authorized representative, conversant with the facts accompanied by supportive documents to the office of the District Labour Office for finalizing the claim of the workers. It further records that in case such representative does not appear at the office of the Asst. Labour Officer, then it would be presumed that JMC has nothing to say in the matter and in that eventually, appropriate further action shall be taken. JMC has thereafter addressed a letter to Mr. Dhruva Guru (the Labour Contractor), with a copy thereof marked to the LC, informing that JMC has settled all its payments and that a certain difference of payments to the tune of Rs.10,322 has also been deposited JMC has thereafter requested Mr. Guru to settle his labour dues. Thereafter JMC has written a letter dated January 21, 2006 to the Assistant Labour Officer (Khurda) Bhubaneshwar, mentioning amongst others, that Rs.10,322 apart from the earlier payment, have been forwarded to the Labour Officer and that no further amount remains outstanding towards the said contractor. The said letter also states that the matter be dropped accordingly.

36. Notice dated April 11, 2005 issued by Office of the Senior Labour Inspector, 18th Circle, Bangalore **("SLI")**

JMC has received a notice from SLI for non-compliance of provisions relating to inter state migrant labour and that copies of forms etc are required to be filed in compliance of regulatory requirements concerning labour sought, on the assumption that such compliance has not been made SLI, 14th Circle and 18th Circle and Labour Inspector, 18th Circle carried out an inspection of the records pertaining to the labour, who were working with the JMC at its site at Bangalore namely, M/s. RGA Software Systems (P) Ltd., Surya Sapphire, Surya Park-III, Bangalore. The inspection report of the even date pointed out certain lapses by JMC under the Inter State Migrant Workmen Act, 1979, including but not limited to non availability of full wages and return journey fare to the (Inter State) Migrant Workmen as also the non availability of facilities such as drinking water, rest room etc. The report mentions of certain applications concerning Mr. Druva Guru (refer item no.A.I.20). Certain other records too were sought but apparently not produced. In pursuance of the said report dated April 11, 2005, a notice of even date came to be issued whereby JMC was called on to produce records, mostly forms prescribed under legislations pertaining to contract labour and records pertaining to contract labour within 7 days of the date of the notice. JMC, by way of its reply dated May 05, 2005 has stated that the principle employer has obtained certificate of registration from concerned Assistant Labour Commissioner and that JMC has obtained the contract labour license from the concerned Assistant Labour Commissioner. It has contended that it does not employ any Migrant Worker and therefore the issue of compliances of the requirement of Interstate Migrant Workmen Act does not arise. Furthermore, the letter states that various facilities, such as drinking water, rest rooms etc. are being provided to the labour. By way of a further letter dated July 1, 2005, JMC has clarified that the claim of Dhruva Guru is exaggerated and that the mode of payment to Labour Contractor is on 'piece rated' basis and hence the question of overtime does not arise. JMC has reiterated that it does not employ any interstate migrant worker. Furthermore, a Demand Draft of Rs.10,322 being the amount of the difference of the minimum wages of the workers working at the site and amount actually paid was also forwarded to the Labour Officer with a request to distribute the same amongst the labour.

37. Notice dated November 24, 2009 issued by Amrutlal Dhanjibhai Patel

JMC received this notice in relation to non-payment of outstanding dues amounting to Rs. 2.17 Lacs. Amrutlal Dhanjibhai Patel was a sub-contractor of JMC at Ahmedabad in favour of whom, JMC had issued a work order dated March 15, 2009. JMC has replied to this notice on January 7, 2010 refuting all the contentions set out in the notice.

Litigation by JMC

Criminal proceedings

1. JMC v. D.R. Garments (India) Private Limited **("DRG")** and Others

Criminal Case No. 6443/2009 pending before Chief Judicial Magistrate, Ahmedabad (Rural)

JMC has undertaken construction work for DRG. DRG had issued a cheque for an amount of Rs.150 Lacs in favour of JMC as the part payment of the construction work carried out by JMC. The said cheque was deposited by JMC. However, the same was returned dishonoured. JMC has therefore filed the present complaint against DRG and its four directors. The process has been issued in the matter and summons issued to all the accused have been served.

2. JMC v. Mr. V.T. Srinivasan, Proprietor of Sri. Laxmi Venkateshwara Traders & Transport

C.C. No. 33177/2008 pending before the XIV Additional Chief Metropolitan Magistrate, Bangalore

JMC has filed this case before the XIV Additional Chief Metropolitan Magistrate, Bangalore in relation to alleged dishonour of three cheques issued by Mr. V.T. Srinivasan, Proprietor of Sri. Laxmi Venkateshwara Traders & Transport. The summons has been served on the accused and the matter is currently pending.

3. JMC v Prakruthi Infrastructure & Development Company Ltd. and Others

Criminal Case No. 60933/09 pending before the Court of xiv Addl. Chief Metropolitan Magistrate, Bangalore

JMC was awarded construction work of Visualsoft IT building by Bhagyanagar Infrastructure Ltd. (BIL) vide Letter of Intent dated May 30, 2007. Visualsoft Technologies Ltd. has also confirmed award of the contract of construction work by Letter of Intent dated June 25, 2007. Initially payments for the work executed were released by BIL. BIL vide letter dated March 3, 2008 informed JMC that it has involved Prakruthi Infrastructure & Development Company Ltd. (PIDC) as their partner in the venture and that on BIL's request PIDC will release payments to JMC in the terms of Letter of Intent and commensurate with the progress of construction and submission of the bills. PIDC had accepted the terms of Letter of Intent and issued a cheque for an amount of Rs. 342.07 Lacs in favour of JMC towards payment for the execution of further works. The said cheque was deposited by JMC. However, the same was returned dishonoured for insufficient funds. JMC has therefore filed the present complaint against PIDC and its three directors. Summons has been served on all the three directors of PIDC.

Civil proceedings

4. JMC v. Videocon Industries Limited

Arbitration before Justice Sujata Manohar (Retd). Justice G. T. Nanavati (Retd) and Justice S. P. Kurdukar (Retd)

The work for construction of a plant for manufacturing color television glass shells at village Chhavaj, near Bharuch, Gujarat (the **"**Project**"**) was awarded to JMC by Videocon Industries Limited ("VIL") pursuant to a letter of intent dated September 1, 2004. However, the completion of the Project was delayed by 12 months. Subsequently, the consultants to the Project, M. N. Dastur & Co. Private Limited, certified JMC's final bill amounting to Rs.155 Lacs, in addition to the extra items executed by JMC, amounting to Rs.20.51 Lacs. However, VIL refused to pay this bill and raised claims against JMC relating to financial losses on account of loss of business opportunities due to the alleged delay on the part of JMC in completion of the Project. By way of a notice dated December 22, 2006, VIL raised various claims aggregating to approximately Rs.500 Lacs. JMC, by way of its reply dated February 2, 2007 amongst others, alleged that the delay was on account of various lapses and acts of omission on the part of VIL and called upon VIL to pay damages amounting to Rs.642.67 Lacs within 15 days from the receipt thereof and stated that failing which dispute and references would be referred to M. N. Dastur & Co. Private Limited in accordance with the terms of the contract. However, as M. N. Dastur & Co. Private Limited failed to render an award within the prescribed period, the dispute was referred for arbitration before Mr. Justice G. T. Nanavati, Mr. Justice S. P. Kurdukar and Mrs. Justice Sujata Manohar (Retd.) on July 10, 2007. The proceedings have been ongoing since September 2007. During the Arbitral Meeting held on October 28 and 29, 2010, oral submission of JMC and VIL have been concluded. The Arbitrators will hold two more meetings amongst themselves and thereafter declare the award. The amount claimed by our Company pursuant to these proceedings is Rs.558 Lacs with interest at 18% p.a. from the date when this amount became due and payable while the amount of the counter claim by VIL is Rs.740.19 Lacs.

5. JMC v. State of Tamil Nadu and Others

Writ Petition No. 43652 pending before the High Court of Judicature at Madras

and

6. JMC v. State of Tamil Nadu and Others

Writ Petition No. 43714 of 2002 pending before the High Court of Judicature at Madras

JMC was awarded a contract by the Chennai Metropolitan Development Authority **("CMDA"**), amongst others, for supply and filling (with approved quality gravel transported to site and spread evenly in layers) for the construction of Chennai Mofussil Bus Terminal. However, as the gravel being mined by JMC for the site was inadequate, additional quantity of gravel was purchased from other suppliers with the concurrence of CMDA. The authorities required JMC to pay the Seigniorage fee for the said additional quantities. As per the Tamil Nadu Minor Mineral Concession Rules 1959, Seigniorage fee for mining is to be paid by the person who mines. Hence the subject petition.

JMC has thereby challenged communications dated April 02, 2002 and May 09, 2002, imposing Seigniorage fee of Rs.426.90 Lacs being 15 times of Rs.28.50 Lacs, amongst others, on the ground that no fee is payable at all by JMC, apart from the same being unreasonable. The interim orders prayed for by JMC were declined by the High Court and the writ petitions are pending for final hearing.

7. JMC and another v. State of Gujarat Industries and Mines Department and Another

Special Civil Application No. 3331/2001 pending before the High Court of Gujarat, Ahmedabad

By the special civil application, JMC has challenged the action of District Assistant Geologist, Mehsana in seeking to compel JMC to pay royalty in respect of Ordinary Earth being excavated for the execution of the project of widening and strengthening of Ahmedabad-Mehsana Highway in spite of the fact that Government Resolution dated January 25, 1991 exempts Ordinary Earth being used for such projects, from payment of royalty. The petition was admitted on November 26, 2001 and is currently pending for final hearing.

8. JMC v. M/s. Victor India ("**Victor**")

Regular Long Cause Suit No. 1024/2005 pending before City Civil Court, Ahmedabad

JMC claiming to have made certain excess payments to Victor, has filed a summary suit dated April 28, 2005 for recovery of such excess amount (Rs.5 Lacs) paid against the works done by Victor at Indian Steel Corporation Limited site. Summons for Judgment dated July 30, 2005 was filed by JMC. Victor filed Leave to Defend and the City Civil Court granted Unconditional Leave to Defend by way of its order dated February 24, 2006. Subsequently, the Suit has been treated as Regular Long Cause Suit. Victor has also filed its pursis dated March 31, 2006 stating that it's Leave to Defend may be considered as its Written Statement to the Suit. Now the matter shall come up for final hearing in due course.

9. JMC v. M/s. Victor India ("**Victor**")

Regular Long Cause Suit No. 1010/2005 pending before City Civil Court, Ahmedabad

JMC claiming to have made certain excess payments to Victor has filed Summary Suit dated April 28, 2005 for recovery of such excess amounts (Rs.3.04 Lacs) paid against the works done by Victor at Welspun India Limited site. Summons for Judgment dated July 30, 2005 was filed by JMC. Victor filed Leave to Defend and the City Civil Court granted Unconditional Leave to Defend by way of its order dated February 24, 2006. Subsequently, the Suit has been treated as Regular Long Cause Suit. Victor has also filed its purshis dated March 31, 2006 stating that it's Leave to Defend may be considered as its Written Statement to the Suit.

10. JMC v. Rites Ltd. ("**RITES**")

Civil Suit No. 1632/2006 pending before High Court of Delhi, Delhi

Rites had invited a tender for construction of its office complex, which ultimately came to be awarded to JMC for a price of Rs.1516 Lacs. The completion of the project got delayed due to various factors not attributable to JMC. Hence work could not be completed in the time stipulated under the contract. JMC asked for extension of time on various occasions, however, the said requests were not responded to within the time frame provided under the contract. Rites claimed compensation for delay without adequate justification, On the other hand, JMxC has claimed that an aggregate amount of Rs.353.74 Lacs is payable by Rites to JMC towards various claims of JMC. JMC further stated that there exists a narrow and limited Arbitration Agreement between the parties. JMC had initiated arbitration but as claims falling under 'excepted matters' are not arbitrable and because, according to JMC, bulk of the claims of JMC constitute excepted matters, JMC has also resorted to filing of the subject suit.

In the said suit, JMC has amongst others prayed for termination of arbitral proceedings and for decree of Rs.353.74 Lacs with 18% interest from the date of filing of the suit till the date of decree and payment and also for the termination of the arbitral proceedings pending between the parties. Thereafter Rites had preferred an application under section 8 of Arbitration and Conciliation Act, 1996. The said application was rejected by the Court. Rites preferred FAO (OS) No. 173 of 2007 against the said order of rejection and also prayed for stay in the suit proceedings. JMC has filed reply in the said proceedings. The said appeal was argued at length on February 10, 2009 and the court has dismissed the said FAO (OS) No. 173 of 2007. Rites have filed the Written Statement in the matter. JMC has filed reply to the Written Statement on August 6, 2009. The matter is currently pending for framing issues.

11. JMC v. BASF India Ltd. ("**BIL**")

Civil Suit No. 331/2007 pending before the City Civil Court, Ahmedabad

JMC was awarded the contract for some civil and structural work by ACCO at Mumbai in October 1998 with a stipulated completion period of six months. According to JMC the work was delayed due to delay in providing drawings and other details and in handling over of site by ACCO. As a consequence, JMC had to incur extra expenditure. JMC invoked arbitration clause. BIL thereafter filed its counter claim on October 15, 2004 for alleged damages of Rs.670.21 Lacs. On January 27, 2007, the Arbitrator has passed an award and rejected the claim of JMC as well as the counter claim of BIL. JMC has filed a section 34 application challenging the award. BIL has filed its reply. The matter is pending for further hearing.

12. JMC v. Delhi Metro Rail Corporation ("**DMRC**")

Arbitration Petition 392/2008 pending before High Court of Delhi

DMRC had awarded the work for the construction of six elevated Stations of Delhi MRTS Project. Disputes have arisen between DMRC and JMC pertaining to the payment of claims raised by JMC. DMRC and JMC have nominated their respective arbitrators. However, JMC has preferred the arbitration application before the Delhi High Court challenging the appointment of Mr. S. M. Mittal, Arbitrator nominated by the Delhi Metro Rail Corporation and Mr. Kanwarjit Singh, Presiding Arbitrator under sections 11(6), (8), 14, 15 and 27 of Arbitration and Conciliation Act, 1996. By way of an order dated October 22, 2008, the Court granted stay of the arbitral proceedings. On February 19, 2010, JMC and DMRC have agreed to adjourn the petition to await the judgment of the Division Bench of the Delhi High Court on the same issue raised by JMC and DMRC. Accordingly, the present petition has been adjourned with liberty to both parties to seek revival of the matter as and when the Division Bench of the Delhi High Court disposes of the reference as aforesaid.

13. JMC v. MechTech Engineers

Civil Miscellaneous Application No. 31/2010 pending before the City Civil Court at Ahmedabad

JMC had placed an order for a stone crushing plant from MechTech Engineers, Vadodara. This plant was to be equently, pursuant to several delays, the plant was erected but failed to perform as expected. As a result, JMC claimed damages from MechTech Engineers which was subsequently referred to a sole arbitrator. This application pertains to the arbitral award published by the sole arbitrator, A. B. Desai, directing JMC to pay MechTech Engineers an amount of Rs.39.16 Lacs. JMC has filed this civil miscellaneous application no. 31/2010 before the City Civil Court of Ahmedabad challenging the arbitral award and contesting the same. On October 16, 2010 MechTech Engineers has filed an application before the Hon'ble District Judge, Ahmedabad stating that since MechTech Engineers have been registered under the Micro, Small & Medium Enterprises Development Act 2006, JMC should have deposited 75% of the amount of award before filing application challenging the award under Section 34 of the Arbitration and Conciliation Act and hence application filed by JMC is not maintainable and required to be rejected. JMC has submitted its reply to this application contesting the representation of MechTech Engineers. On October 21, 2010 the Hon'ble court has granted the application filed by MechTech Engineers and directed JMC to deposit 75% of the amount of Award within a period of 1 month. JMC has filed a writ petition before the Hon'ble High Court of Gujarat for quashing and setting aside the Order dated October 21, 2010 made by the Addl. District Judge, Ahmedabad and the High Court has granted stay against implementation of the said order.

14. JMC v. Centre for DNA and Finger Printing Diagnostic ("**CDFD**")

Arbitration before Dr. Ghanshyam Singh.

The work of construction of a proposed building for CDFD at Gandipet, Hyderabad, Andhra Pradesh was awarded to JMC by way of a letter dated May 13, 2000. The contract value of the project was Rs.1150.18 Lacs and the stipulated period of completion was 24 months. According to JMC, the completion of the project was however delayed by 16 months due to various reasons not attributable to JMC. During the currency of the contract, CDFD had withdrawn the powers which were given to M/s. Beri Architects, project management consultant and entrusted the powers to M/s. RITES Ltd. The R.A. bills of JMC certified by M/s. Beri Architects were reopened by M/s. RITES and arbitrary and unwarranted recoveries were made therefrom. Unauthorised recoveries were also made from the final bill submitted by JMC. Non-payment of the dues by CDFD against the final bill and financial losses incurred by JMC due to delay in completing the project led to the present disputes which were referred to the Sole Arbitrator, Dr. Ghanshyam Singh.

Pleadings, such as statement of claim, counter statements and counter claims, rejoinder-cum-reply to the counter statement and affidavits of the claimant have already been filed before the arbitral tribunal and the cross examination of claimant's witnesses has been completed. Arguments of the Claimant's counsel were concluded on November 05, 2008 and the arguments of Respondent's counsel have begun on November 06, 2008, but remained inconclusive. After conclusion of oral arguments, written arguments of both the parties were filed and an award was to be declared in due course. However, on account of the demise of the sole arbitrator, Ghanshyam Singh, on April 1, 2010, CDFD has appointed Dr. R. Venkata Rao as a Sole Arbitrator on June 29, 2010. An arbitral meeting was held on September 23, 2010. Next arbitral meetings have been scheduled on December 25 and 26, 2010 for making oral submissions of JMC & CDFD and to conclude the same. The amount involved in the dispute is Rs. 271 Lacs with interest at the rate of 18% p. a.

15. JMC v. Delhi Metro Rail Corporation ("**DMRC**")

Arbitration before Kanwarjit Singh, S. P. Mehta and S. M. Mittal

DMRC had awarded the work for the construction of six elevated Stations of Delhi MRTS Project with stipulated completion period of 18 months. The total contract value of the project was Rs.6237 Lacs. According to JMC, the completion of the project was delayed by 13 months due to various lapses on the part of DMRC such as late release of drawings, late handing over of possession of site and delay in awarding contracts to other agencies related to this work. In view of the delay in completing the projects and the losses incurred by JMC on account of the same, claims amounting to Rs.1248 Lacs were raised by JMC on DMRC and unsettled extra items executed during the currency of the contract. Since DMRC refused to entertain the claims and release the payment thereof and in view of the disputes so arisen, JMC invoked arbitration clause. DMRC and JMC have nominated their respective arbitrators. However, since Mr. S. M. Mittal was associated with DMRC, JMC has preferred the arbitration application before the Delhi High Court challenging the appointment of Mr. S. M. Mittal, arbitrator nominated by the Delhi Metro Rail Corporation and Mr. Kanwarjit Singh, Presiding Arbitrator under sections 11(6), (8), 14, 15 and 27 of the Arbitration and Conciliation Act, 1996. The application is pending before Delhi High Court. By way of an order dated October 22, 2008 the Court has granted stay of the arbitral proceedings.

16. JMC v. D R Garments (India) Private Limited ("**DRGL**")

Arbitration before J. C. Shah

JMC was awarded a lump sum contract for construction of a garment factory and an office for DRGL on Plot No. 283, Survey No. 66, 67 and 68 at G.ID.C, Vanana, National Highway, Taluka Ranavav, District Porbandar with a stipulated completion period of 12 months. The total contract value of the project was Rs. 17.80 Lacs excluding service tax. However, the work could not be completed as planned due to various factors including amongst others, late handing over of the site, late release of basic construction drawings, late approval of construction drawings and delays in release of change orders. JMC completed the work and handed over the same to DRGL, however, payment against certain monthly bills remained overdue. Upon JMC's insisting on payment of such overdue amounts, DRGL disputed the quality of work. By way of a letter dated October 25, 2008, JMC submitted reasons for the delay in relation to the project and requested the overdue payment amounting to Rs. 110,473,958 within 30 days of receipt of the letter. However, DRGL failed to make the payment, on account of which, JMC by way of a letter dated March 16, 2009 invoked the arbitration clause and requested for a single arbitrator. On account of failure by DRGL to respond to this letter as well as subsequent letter in this regard, JMC filed an arbitration application before the Gujarat High Court for appointment of an arbitrator. The said application was rejected on the grounds that JMC needed to exhaust other remedies under the terms of the contract. By way of a letter dated April 9, 2010, JMC requested The Institution of Engineers (India) to appoint an arbitrator. The Institutions of Engineers (India) nominated Mr. J. C. Shah as the sole arbitrator. The first arbitration meeting was held on May 29, 2010 JMC has filed Statement of Claims on August 12, 2010. The third arbitral meeting was held on November 12, 2010. Since DRGL has not remained present during first, second and third arbitral meeting and has not submitted Statement of Defense to the Statement of Claims submitted by JMC on August 12, 2010. Arbitral tribunal has directed DRGL to remain present during next meeting scheduled on December 18, 2010 as well as to submit all pleadings/replies and comply with directions given during the meeting held on November 12, 2010. Arbitral Tribunal also directed that if during the 4th meeting, DRGL do not remain present, the matter will be further heard in their absence and adjudicated ex-parte.

17. JMC v. Indure Private Limited ("**Indure**")

JMC was awarded a contract for the construction of a coal handling plant for HPGCL, Panipat with the stipulated completion period of 10 months. The total contract value of the project was Rs. 555 Lacs. However, the work could not be completed within the stipulated time limit on account of various reasons like late handing over of the site, delay in supply of power, delay in relation to design approval and design changes, underground inflows of water etc. By way of a letter dated January 28, 2004, JMC claimed an amount of Rs. 79.70 Lacs against extra expenses incurred during execution of the contract which was denied by Indure. JMC had written several letters for release of the outstanding amount of Rs. 162.20 Lacs, including an amount of extra expenses incurred by JMC during execution of work, however, Indure did not respond to these letters. Subsequently, on March 28, 2008, JMC served a legal notice on Indure with regard to release of payment and invocation of the arbitration clause. JMC nominated G. T. Nanawati as JMC's arbitrator and called upon Indure to nominate its arbitrator. By way of a letter dated April 22, 2008, Indure replied to JMC's letter appointing Ajay Shrivastava as the sole arbitrator. Consequently, JMC issued a legal notice to Indure, contending that the appointment of Ajay Shrivastava as the sole arbitrator was contrary to the terms of the arbitration clause as the consent of JMC had not been obtained. Subsequently, JMC filed an arbitration petition no. 49/2010 before the Delhi High Court for appointment of an arbitrator. The Delhi High Court by way of an order dated May 25, 2010 appointed Justice (Retd.) R. C. Chopra as the sole arbitrator. The first meeting of the arbitral tribunal was held on May 29, 2010 and the matter is currently pending for submission of the claim statement by JMC. Efforts to settle the disputes and differences out of arbitration have been initiated between JMC & Indure. A meeting was held in this regard at Indure's office on August 21, 2010and further efforts are going on for amicable settlement between JMC and Indure. JMC has deferred submission of Statement of Claims in view of above.

Labour proceedings

18. JMC v. Ramjibhai Gangaram Gohil

Ref. LC No. 261/2002 pending before the Labour Court, Ahmedabad

Ramjibhai Gohil claims that he was working as civil supervisor and his services were illegally terminated. He has amongst others, sought reinstatement with back wages and benefits. JMC has filed Written Statement on October 11, 2005 denying the allegations and has contended amongst others that the workman had gone on leave from April 07, 2001 and has since abstained from reporting back on duty. The matter is pending for recording evidence.

The amount involved is Rs.2.70 Lacs (amount is calculated from the date of termination up to March 31, 2006) along with reinstatement with back wages and incidental benefits and costs of Rs.0.10 Lacs.

Taxation proceedings

19. Appeal No. 2385 filed on December 16, 1999 pending before the Income Tax Appellate Tribunal, Ahmedabad

Assessing Officer arrived at amount eligible under section 35D of the Income Tax Act, 1961 (IT Act) at 2.5% of the cost of the Project for the Assessment year 1995 - 1996. Amount eligible as per the Assessing Officer is Rs.12.20 Lacs while the amount eligible as per JMC is Rs.23.60 Lacs. Against the order of the Assessing Officer, JMC preferred an appeal before Commissioner of Income Tax (Appeals), Ahmedabad (CIT). CIT confirmed the order passed by the Assessing Officer. Against the order of CIT, JMC has preferred the present appeal, which is pending. According to JMC no tax is payable by JMC for the Assessment Year 1995-1996 as JMC has incurred loss in the said Assessment Year. For all subsequent years, amount claimed under section 35D of the IT Act is as per Assessing Officer.

20. Tax Appeal No. 1180/2007 pending before the High Court of Gujarat

The Assessing Officer has disallowed delayed payment of Provident Fund aggregating to Rs.25.50 Lacs (Employer's Contribution of Rs.11.60 Lacs and Employee's Contribution of Rs.13.90 Lacs) and Gratuity for Rs.7.70 Lacs in the order for the Assessment Year 2002- 2003. JMC has preferred appeal before Commissioner of Income Tax (Appeals) against the said order. The Commissioner of Income Tax (Appeals) by an order dated September 26, 2006 allowed the employer's contribution to provident fund but disallowed the employee's contribution to provident fund and gratuity. Against the said order dated September 26, 2006, cross appeals were filed by both, JMC as well as the Addl. Commissioner of Income Tax, before the Income Tax Appellate Tribunal (ITAT). ITAT by its order dated January 12, 2007 rejected the appeal filed by JMC. JMC has challenged the said order of ITAT dated January 12, 2007 before the High Court of Gujarat and the said appeal is pending for hearing. According to JMC, no tax is payable by JMC as there was a loss during the said year. The Department has also filed an appeal before Hon'ble High Court against ITAT Order allowing the deduction of Employer's Contribution of Rs.11.60 Lacs.

21. Tax Appeal No. 451/2007 pending before the High Court of Gujarat

The Deputy Commissioner of Income Tax, Ahmedabad in Assessment Order for financial year 2002-03, disallowed, (i) Employer's contribution to P.F. – Rs. 51.10 Lacs, (ii) Software Development expenses Rs. 1.60 Lacs and (iii) Gift, Boni & chandla expenses of Rs. 3 Lacs. Against the said order, JMC has preferred an appeal to CIT (Appeal). The CIT (Appeal) has passed an order allowing (i) Software development expenses of Rs. 1.60 Lacs and (ii) Gift, Boni & chandla expenses of Rs. 1.50 Lacs and disallowed (i) Employer's Contribution to Provident Fund of Rs.51.10 Lacs and (ii) Gift, Boni & chandla expenses of Rs.1.50 Lacs.

Against the order of CIT (Appeal), JMC preferred a further appeal to Income Tax Appellate Tribunal (ITAT) for the disallowance made by CIT (Appeal). The ITAT has, by its order dated July 31, 2006, allowed the claim of Employer's contribution to Provident Fund of Rs. 51.10 Lacs and disallowed Gift, Boni & chandla expenses of Rs. 1.50 Lacs.

Against the order of ITAT, the Income Tax Department has filed the present appeal before the Hon'ble High Court of Gujarat. The same is pending for hearing.

22. Appeal No. 2471/Ahd/2007 filed on May 22, 2007 for Financial Year 2003-04 pending before Income Tax Appellate Tribunal ("**ITAT**")

The Deputy Commissioner of Income Tax, Ahmedabad in the assessment order for year 2003-04 disallowed; (i) contribution to the Provident Fund of Rs.41.90 Lacs and contribution to Employees State Insurance of Rs.0.01 Lacs , (ii) Gift, Boni and Chandla expenses of Rs.3.50 Lacs. Against the said order JMC preferred an appeal before the Commissioner of Income Tax (Appeal). The Commissioner of Income Tax (Appeal) by way of an order dated April 16, 2007 allowed ESI and the employees' contribution to provident fund, which is equivalent to 50% of total contribution as well as out of total disallowed gift, boni and chandla expenses of Rs.3.50 Lacs, allowed Rs.1.70 Lacs. Against the said order both, JMC as well as Dy. Commissioner of Income Tax, preferred appeals before ITAT. The Appeal filed by DCIT has been dismissed by ITAT by an order dated August 17, 2007. The appeal filed by JMC is pending for hearing.

23. Appeal No. 712/2009 filed by the Income Tax department pending before the Gujarat High Court

The Assessing Officer has disallowed the following in the order for the year 2004-2005, (i) Contribution to Provident Fund Rs. 54.60 Lacs (ii) Employees State Insurance Rs 0.20 Lacs (iii) Gift, Boni Chandla Exp Rs. 2.20 Lacs and (iv) Provision for the Defect Liability Expenses Rs 238 Lacs. JMC has preferred appeal before the CIT (Appeal). The CIT (Appeal) has allowed the Provision for the Defect Liability in toto and allowed 50% of the rest disallowance made by the Assessing Officer. JMC had again filed the appeal before the ITAT against the order of the CIT (Appeal). Ho'ble ITAT has allowed the 50% claim, which was disallowed by the CIT (Appeal). However the Department has filed appeal before the Hon'ble High Court of Gujarat against the order of the ITAT towards deleting the disallowance of employee's contribution to Provident Fund of Rs. 27.40 Lacs

24. Appeal No. 2119/Ahd/2009 filed on July 03, 2009 pending before the Income Tax Appellate Tribunal ("**ITAT**"), Ahmedabad

The Dy. Commissioner of Income Tax in the assessment order for Financial Year 2005-06 disallowed; (i) contribution to the Provident Fund and ESIC aggregating to Rs. 4 Lacs (ii) Gift, Boni and Chandla expenses of Rs. 3.50 Lacs and (iii) provision for expected losses/defect liability of Rs.112.30 Lacs. JMC has filed an appeal against the said order before the Commissioner of Income Tax (Appeals). The CIT (Appeals) passed an order allowing all the expenses except Gift Expense of Rs.1.50 Lacs. Against the order of CIT (Appeals), JMC has preferred this present appeal before ITAT, Ahmedabad. The Department has also filed appeal before ITAT, vide appeal no. 2566/Ahd of 2009, against the CIT(Appeals) order allowing the provision for Defect Liability amounting to Rs.112.30 Lacs, which is pending for hearing.

25. Appeal No.87/10-11 for Asst. Year 2007-08 pending before CIT(A), Ahmedabad.

Assessing Officer in Assessment Order dated December 21, 2009 for Financial Year 2006-07, disallowed (i) deduction u/s. 80IA of Rs. 43.40 Lacs, (ii) Provision for defect liability of Rs. 356.50 Lacs, (iii) Prov. For leave encashment Rs. 72.70 Lacs, (iv) Bad debts w/o Rs. 49.10 Lacs, (v) Gift expenses Rs. 8.20 Lacs, (vi) Non deduction of TDS Rs. 0.30 Lacs and (vii) Lesser deduction of TDS Rs. 0.10 Lacs.

Against the order of Assessing Officer, JMC has preferred the present appeal before Hon'ble CIT (Appeal) on January 6, 2010, which is pending for hearing.

26. F. No.: SD 02/104/CER/J/MC/07-08/362 pending before the Deputy Commissioner of Service Tax, Div. – II, Ambawadi, Ahmedabad

The Dy. Commissioner of Service Tax issued the present show cause notice requiring the JMC to show cause as to why (i) service tax on freight for the period of November 16, 1997 to May 31, 1998 should not be recovered by way of invocation of extended period of 5 years under section 73 (1) of the Finance Act, 1994; (ii) the interest at prescribed rate should not be charged under the provisions of section 75 on the amount of service tax; (iii) penalty should not be imposed at the rate of Rs.200 for every day during which such failure continue or at the rate of 2% of such tax per month whichever is higher starting with the first day after the due date till the date of actual payment of the outstanding amount of service tax, under section 76; and (iv) penalty should not be imposed under section 78 for concealing the value of taxable services. JMC, by way of its letter dated February 25, 2008, replied to the said notice and sought for an opportunity of being heard before the case is decided. The Deputy Commissioner thereafter issue a notice dated February 03, 2009 giving the opportunity of hearing on February 19, 2009. On February 19, 2009 JMC has filed further reply during the personal hearing, amongst others, requesting withdrawal of the said notice. The final decision of the said hearing is awaited.

6.19 Details of the Compliance Officer of JMC:

Mr. Ashish Shah
Company Secretary
JMC Projects (India) Limited
A-104, Shapath – 4
Opposite Karnavati Club, S.G. Road
Ahmedabad – 380 051
Tel: +91-79- 3001 1500
Fax: +91-79-3001 1600/1700
Email: cs@jmcprojects.com

7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1 Justification of Offer Price

7.1.1 The equity shares of JMC are currently listed on BSE and NSE.

7.1.2 The annualised trading turnover during the preceding six calendar months ended September, 2010 on BSE & NSE where the equity shares are listed are as follows:

Name of the Stock Exchange	Total no. of equity shares traded during the 6 calendar months prior to the month in which the PA was made	Total number of listed equity shares	Annualized trading turnover (% of total listed equity shares)
BSE	1,39,87,273	2,17,68,348	128.51%
NSE	1,92,92,659	2,17,68,348	177.25%

(Source: www.bseindia.com/www.nseindia.com)

Based on the above information, the equity shares of the Target Company are frequently traded on BSE and NSE within the meaning of explanation (i) to regulation 20(5) of the Regulations.

7.1.3 In accordance with regulation 20(4) of the Regulations, the Offer price of Rs.207/- per equity share is higher of the following parameters:

a)	Negotiated price.	Not Applicable
b)	Acquisition price under the proposed Preferential Issue.	Rs.207.00 per equity share
c)	Highest price paid by the Acquirer for acquisition of any equity share of JMC during the 26 weeks period preceding the date of the PA including by way of allotment in Rights of Public Issue.	Not applicable
d)	Average of weekly high and low of the closing prices of the equity shares of JMC during the 26 weeks preceding the date of the Board meeting where the Preferential Issue was authorized.	Rs. 200.53 per equity share
e)	Average of daily high and low of the equity shares of JMC during the 2 weeks preceding the date of the Board meeting where the Preferential Issue was authorized.	Rs. 203.03 per equity share

7.1.4 The weekly high and low of the closing prices of the equity shares, during 26 weeks period prior to the date of Board Meeting, on the NSE where the equity shares are most frequently traded are given below.

26 weeks weekly high/low price:

Week No.	Week ending	Weekly High	Weekly Low	Average Price	Weekly Volume
1	April 13, 2010	195.75	191.90	193.83	6,88,607
2	April 20, 2010	187.90	185.10	186.50	4,82,108
3	April 27, 2010	194.50	186.85	190.68	4,28,949
4	May 4, 2010	187.80	183.75	185.78	3,93,759
5	May 11, 2010	184.45	173.40	178.93	1,89,515
6	May 18, 2010	221.60	176.75	199.18	43,60,178
7	May 25, 2010	228.45	205.00	216.73	32,09,591
8	June 1, 2010	212.20	203.85	208.03	7,44,199
9	June 8, 2010	222.90	204.20	213.55	7,52,322
10	June 15, 2010	218.15	212.30	215.23	2,52,030
11	June 22, 2010	218.20	213.70	215.95	4,55,755
12	June 29, 2010	220.80	216.55	218.68	5,89,447
13	July 6, 2010	216.80	212.95	214.88	2,27,668
14	July 13, 2010	215.30	211.80	213.55	1,90,955
15	July 20, 2010	211.65	201.80	206.73	3,19,776
16	July 27, 2010	203.80	199.60	201.70	2,81,001
17	August 3, 2010	200.55	193.90	197.23	1,90,476
18	August 10, 2010	195.50	192.80	194.15	2,30,588
19	August 17, 2010	193.95	187.30	190.63	1,22,435
20	August 24, 2010	194.45	187.35	190.90	2,20,389
21	August 31, 2010	187.70	179.65	183.68	,76,484
22	September 7, 2010	193.40	181.55	187.48	1,14,658
23	September 14, 2010	201.20	195.10	198.15	2,89,065
24	September 21, 2010	210.30	197.00	203.65	4,74,188

Week No.	Week ending	Weekly High	Weekly Low	Average Price	Weekly Volume
25	September 28, 2010	205.55	199.75	202.65	2,61,486
26	October 5, 2010	216.20	194.35	205.28	5,69,499
Average of weekly high and low of closing prices of 26 weeks: Rs. 200.53					

2 week daily high/low price:

Day No.	Date	Daily High	Daily Low	Average Price	Daily Volume
1	September 22, 2010	214.90	203.60	209.25	1,21,694
2	September 23, 2010	206.00	198.00	202.00	42,716
3	September 24, 2010	206.90	198.50	202.70	55,082
4	September 27, 2010	206.00	201.25	203.63	19,428
5	September 28, 2010	205.75	198.00	201.88	22,566
6	September 29, 2010	202.85	195.25	199.05	24,046
7	September 30, 2010	196.00	192.05	194.03	14,510
8	October 01, 2010	201.00	194.00	197.50	30,491
9	October 04, 2010	209.70	202.55	206.13	77,945
10	October 05, 2010	221.50	206.70	214.10	4,22,507
Average of 2 weeks daily high and low prices: Rs. 203.03					

Source: http://www.nseindia.com

7.1.5 The Offer Price of Rs. 207/- per equity share offered by Acquirer to the shareholders of JMC under the proposed Open Offer is justified in terms of regulation 20(4) of the Regulations.

7.1.6 The Acquirer is permitted to revise this Offer upward upto seven working days prior to the date of closure of the Offer. In the event of such revision, an announcement will be made in the same newspapers where the PA has appeared and the revised Offer price would be paid for all the equity shares tendered anytime during the Offer. If the Acquirer acquire equity shares of JMC after the date of the PA up to seven working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the valid acceptances received under the Offer.

7.1.7 To the extent of the Offer Size, all equity shares of the Target Company that are validly tendered pursuant to this Offer are proposed to be acquired by the Acquirer. The equity shares will be acquired by the Acquirer, free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.

7.1.8 There is no non-compete agreement between the Acquirer and the Target Company & any other entity as envisaged under the regulation 20(8) of the Regulations. No additional payments are being made by the Acquirer as non-compete fees.

7.2 Financial Arrangements

7.2.1 The total fund requirement or the maximum consideration for the Offer assuming full acceptance of the Offer would be Rs.109,31,02,209/- (Rupees One Hundred Nine Crores Thirty One Lacs Two Thousand Two Hundred Nine only) i.e. consideration payable for acquisition of 52,80,687 fully paid up equity shares of the Target Company at an Offer Price of Rs. 207/- per equity share.

7.2.2 In accordance with regulation 28 of the Regulations, the Acquirer has made an escrow arrangement for the Offer comprising a bank guarantee issued by IDBI Bank Ltd., IDBI Complex, Opp. Muni. staff quarters, Near Lal Bunglow, Off. C.G Road, Ahmedabad – 380 006 in favour of Manager to the Offer for an amount of Rs.27,33,00,000/- (Rupees Twenty Seven Crores Thirty Three Lacs only). The bank guarantee is valid till April 30, 2011. In addition, the Acquirer have also made a cash deposit of Rs. 1,10,00,000/- (Rupees One Crore Ten Lacs only) with IDBI Bank Ltd., IDBI complex, Opp. Muni. staff quarters, Near Lal Bunglow, Off. C.G Road, Ahmedabad – 380 006, being 1% of the total consideration payable. The Acquirer has empowered the Manager to the Offer to instruct and to realize the values of above bank guarantee and cash deposit in terms of the Regulations.

7.2.3 Mr. Kishan M. Mehta (Membership no. 13707) partner of M/s. Kishan M. Mehta & Co., Chartered Accountants, 6th Floor, Premchand House Annexe, Ashram Road, Ahmedabad - 380 009, has certified vide certificate dated October 8, 2010 that the Acquirer has adequate financial resources to meet the financial requirements of the Open Offer.

7.2.4 The Open Offer obligation shall be met by the Acquirer through internal accruals including proceeds received from the Qualified Institutional Placement which concluded in the month of May, 2010.

7.2.5 The Manager to the Offer, has satisfied itself that the Acquirer have the ability to implement the Offer in accordance with the Regulations as firm arrangements for funds for payment through verifiable means are in place to fulfill the Offer obligations.

8. TERMS AND CONDITIONS OF THE OFFER

8.1.1 The Offer is being made to all the equity shareholders of JMC (other than, Acquirer) whose names appears on the Register of Members of JMC or on the beneficial record of the respective depositories, at the close of business hours on October 22, 2010 (the 'Specified Date') and to also those persons, who owns the equity shares at any time prior to closure of the Offer, but are not registered shareholders.

8.1.2 The Offer is subject to receipt of approval if required, from Reserve Bank of India ('RBI') under the Foreign Exchange Management Act, 1999 ('FEMA') for the acquisition of equity shares by the Acquirer from non-resident persons under the Offer.

8.1.3 As on the date of Letter of Offer, the pre preferential shareholding of KPTL in JMC, i.e.1,15,40,247 equity shares are under lock in up to May 25, 2011. Further, 43,50,000 equity shares allotted pursuant to preferential issue as mentioned at para 3.1.4 is locked in upto November 19, 2013. Apart from this, no equity shares in the Target Company are under lock in.

8.1.4 The Acquirer has availed credit facilities from Indian Bank, Oriental Bank of Commerce, Union Bank of India, State Bank of India, Export Import Bank of India, Standard Chartered Bank, ICICI Bank Limited, IDBI Bank Limited and Unit Trust of India Investment Advisory Services Limited, as Debenture Trustees on behalf of Debenture holders. As per the terms of sanction, Acquirer requires their approval for the purpose of this Open Offer. Acquirer had made application with the said banks/Institutions and pursuant to same, the aforementioned banks and financial institutions have conveyed their no-objection.

8.1.5 As on the date of this LOF, there are no other statutory approvals or approval from its lenders required except as mentioned above, for the acquisition of equity shares tendered pursuant to this Offer. The Offer would be subject to all other statutory approvals that may become applicable at a later date before the completion of the Offer. The Acquirer will not proceed with the Offer in the event that such statutory approvals that are required are refused in terms of regulation 27 of the Regulations.

8.1.6 In case of non receipt of any approval, SEBI may, if satisfied that non receipt of the requisite approvals was not due to any willful default or neglect of the Acquirer or failure of the Acquirer to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the shareholders as directed by SEBI, in terms of regulation 22(12) of the Regulations. Further, if delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, regulation 22(13) of the Regulations will also become applicable.

8.1.7 Other terms

8.1.7.1 The LOF, specifying the detailed terms and conditions, together with the Form of Acceptance cum Acknowledgement ('Form of Acceptance'), Form of Withdrawal and Transfer Deed (for shareholders holding equity shares in the physical form only) will be mailed to the Eligible Shareholders of JMC whose names appear on the Register of Members of JMC and to the Beneficial Owners of the equity shares of JMC whose names appear as beneficiaries on the records of the respective Depositories, at the close of business on October 22, 2010 (the 'Specified Date').

8.1.7.2 All owners of shares, registered or unregistered (except, the Acquirer), are eligible to participate in the Offer, at any time before the Closure of the Offer, as per the procedure set out in para 9 below. Eligible Shareholders can participate in the Offer by offering their shareholding in whole or in part. The acceptance must be unconditional and should be absolute and unqualified. No indemnity is required from the unregistered owners. No LOF together with a Form of Acceptance will be mailed to the Acquirer.

8.1.7.3 Accidental omission to dispatch LOF to any member entitled to this Open Offer or non-receipt of the LOF by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever. A copy of the LOF (including, Form of Acceptance) is expected to be available on SEBI's website (http://www.sebi.gov.in) during the period the Offer is open and may also be downloaded from the site.

8.1.7.4 The Offer is not subject to any minimum level of acceptance.

8.1.7.5 Any equity shares of JMC that are the subject matter of litigation or are held in abeyance due to the restriction from Court/ Forum/ ITO attachment etc. wherein the shareholder(s) may be precluded from transferring the equity shares during the pendency of the said litigation are liable to be rejected in case directions/orders of the Court/ Forum/ITO etc. permitting transfer of these shares are not received together with the equity shares tendered under the Offer.

8.1.7.6 The acceptance of the Offer made by the Acquirer is entirely at the discretion of the shareholders of the Target Company. The Acquirer will not be responsible in any manner for any loss of equity share certificate(s) and Offer acceptance documents during transit and the shareholders of the Target Company are advised to adequately safeguard their interest in this regard.

8.1.7.7 Incomplete applications, including non-submission of necessary enclosures, if any, are liable to be rejected.

8.1.7.8 Equity shares tendered in the Offer by the shareholders of JMC shall be free from lien, charges and encumbrances of any kind whatsoever.

8.1.7.9 The instructions and provisions contained in the Form of Acceptance and Form of Withdrawal constitute an integral part of the terms of this Offer.

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

9.1 Shareholders who hold equity shares of JMC in physical form and wish to tender their equity shares pursuant to the Offer will be required to submit the Form of Acceptance, original Share Certificate(s) and transfer deed(s) duly signed to the Registrar to the Offer at the following address, so as to reach on or before the Closure of the Offer, i.e. December 27, 2010 in accordance with the instructions specified in the LOF and the Form of Acceptance. In case of non-receipt of the LOF, shareholder(s) may download the same from the SEBI website or obtain a copy of the same from the Manager to the Offer or Registrar to the Offer on providing suitable documentary evidence of acquisition of the said shares.

Name & Address of Collection Centres	Contact Person	Mode of Delivery	Tel. No.	Fax No.
Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West) Mumbai - 400 078 Email: nilesh.chalke@linkintime.co.in	Mr. Nilesh Chalke	Registered Post / Hand Delivery	+91-22-2596 0320	+91-22- 2596 0329
Link Intime India Private Limited, 211 Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad - 380 009 Email: ahmedabad@linkintime.co.in	Mr. Hitesh Patel	Hand Delivery	+91-79-2646 5179	+91-79-2646 5179

All registered owners can send the Form of Acceptance duly completed and signed in accordance with the instructions contained therein to the Registrar to the Offer at the collection centres mentioned above, on or before the Closure of the Offer, i.e. December 27, 2010. The documents can be tendered at the above centre between Monday to Friday from 10.30 am to 12.30 pm and 1.30 p.m. to 4.30 p.m. and on Saturdays from 10.00 am to 1.00 pm. The centres will be closed on Sundays and public holidays.

9.2 Shareholders who wish to tender their shares under this Offer should enclose the following documents duly completed:

9.2.1 For equity shares held in physical form

Registered Shareholders should enclose

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.
- Original share certificate(s).
- Valid share transfer deed / form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with JMC and duly witnessed at the appropriate place.
- In case of non receipt of the aforesaid documents, but receipt of the original share certificate(s) and transfer deed(s) duly signed, the Offer shall be deemed to be accepted.

Unregistered owners should enclose

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein.
- Original share certificate(s).
- Original broker contract note.
- Valid share transfer deed(s) as received from the market. The details of the buyer should be left blank failing which the same will be invalid under the Offer. Unregistered shareholders should not sign the transfer deed. The transfer deed should be valid for transfer. No indemnity is required from unregistered shareholders.
- All other requirements for valid transfer will be precondition for acceptance.

9.2.2 For equity shares held in demat form:

Beneficial owners should enclose:

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by all the beneficial owners whose names appear in the beneficiary account, as per the records of the respective depository.
- Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by DP in favour of the special depository account.

  In case of non receipt of the aforesaid documents, but receipt of the Shares in the special depository account, the Offer shall be deemed to be accepted. The Form of Acceptance for which corresponding Shares have not been credited to the special depository account as on the date of closure of the Offer will be rejected.

9.2.3 The Registrar to the Offer, Link Intime India Private Limited, has opened a Special Depository Account with Ventura Securities Limited. Beneficial Owners and shareholders holding equity shares of JMC in the dematerialised form, will be required to send their Form of Acceptance to the Registrar to the Offer, as mentioned in para 9.1, on or before the closure of the Offer i.e. December 27, 2010, along with a photocopy or counterfoil of the delivery instructions in ‘Off-market’ mode, duly acknowledged by the Depository Participant (‘DP’), in favour of ‘LIIPL JMC Open Offer Escrow Demat Account’ and filled in with the details given below:

DP Name:	Ventura Securities Limited
DP ID / Client ID Number:	IN303116 / 10623514
ISIN	INE890A01016
Market	Off Market
Depository:	NSDL
Account Title:	“LIIPL JMC Open Offer Escrow Demat Account”

Forms of Acceptance of dematerialized equity shares not credited to the above Special Depository Account on or before the Closure of Offer are liable to be rejected. Beneficial owners are therefore requested to tender the delivery instructions at least two working days prior to the date of closing of the Offer. **Shareholders of the Target Company having their beneficiary account in Central Depository Services (India) Limited (‘CDSL’) has to use inter-depository delivery instruction slip for the purpose of crediting their equity shares in favor of the Special Depository Account with NSDL.**

9.2.4 Shareholders should also provide all relevant documents, which are necessary to ensure transferability of shares in respect of which the application is being sent failing which the tender would be considered invalid and would be liable to be rejected. Such documents may include (but not be limited to)

- Duly attested death certificate and succession certificate (for single shareholder) in case the original shareholder has expired.
- Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s).
- No objection certificate from any lender, if the Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.
- In case of companies, the necessary certified corporate authorizations (including board and/or general meeting resolutions).

9.3 The share certificate(s), share transfer form, Form of Acceptance and other documents, if any should be sent only to the Registrar to the Offer. **They should not be sent to the Manager to the Offer or the Acquirer or the Target Company.** The above-mentioned documents can be sent by hand delivery on all days except Sundays and public holidays.

9.4 The minimum marketable lot for the purposes of acceptance, for both physical and demat shares, would be one share.

9.5 In case of unregistered owners or shareholders who have not received the LOF, may send their consent, to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, number of shares offered, along with the documents as mentioned above, so as to reach the Registrar to the Offer on or before the closure of the Offer. In the case of beneficial owners, they may send the application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, number of shares Offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in the "Off-market" mode, duly acknowledged by the DP, in favour of the aforesaid special depository account, so as to reach the Registrar to the Offer, on or before the closure of the Offer. No Indemnity is required from the unregistered owners.

The application should be signed by all the shareholders as per the registration details available with JMC and should be sent to the Registrar to the Offer in an envelope clearly marked 'JMC PROJECTS (INDIA) LTD. – Open Offer'.

Shareholders of JMC who have sent their equity shares for transfer should submit, Form of Acceptance duly completed and signed, copy of the letter sent to JMC (for transfer of said shares) and acknowledgement received thereon and valid share transfer form. Shareholders who have sent their physical shares for dematerialisation should submit their form of acceptance as applicable along with the copy of the demat request form (DRF) duly acknowledged by their DP. However, they have to ensure that the corresponding credit of the dematerialized shares is received in the special depository account on or before closure of the Offer, else the application would be rejected.

9.6 Non-Resident shareholders and Overseas Corporate Bodies, while tendering their equity shares under the Offer, should submit the previous RBI Approvals (specific or general) that they would have been required to submit to acquire the equity shares of the Target Company. In case the previous RBI Approvals are not submitted, the Acquirer reserves the right to reject such equity shares tendered. While tendering the shares under the Offer, Non resident shareholders will also be required to submit a Tax Clearance Certificate from Income Tax Authorities, indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act, 1961 ('Income Tax Act'), before remitting the consideration. In case the aforesaid Tax Clearance Certificate is not submitted, the Acquirer will deduct tax at the rate as may be applicable to the category of the shareholder under the Income Tax Act, on the entire consideration amount payable to such shareholder.

9.7 As per the provisions of Section 196(D1)2 of the Income Tax Act 1961, no deduction of tax at source shall be made from any income by way of capital gains arising from transfer of securities referred to in Section 115AD of the Income Tax Act payable to Foreign Institutional Investor ('FII') as defined in Section 115AD of the Income Tax Act, 1961.

9.8 In case of delay in receipt of statutory approvals, SEBI has the power to grant extension of time to Acquirer for payment of consideration to shareholders, subject to the Acquirer agreeing to pay interest for the delayed period, as directed by SEBI in terms of regulation 22(12) of the Regulations.

In accordance with the regulation 22(5A) of the Regulations, shareholders who have tendered the requisite documents in terms of the Public Announcement and LOF shall have the option to withdraw acceptances tendered up to three working days prior to the Offer Closing Date. The withdrawal option can be exercised by submitting the documents as per the instructions below so as to reach the Registrar to the Offer on or before December 22, 2010 (Wednesday).

Kindly follow the detailed instructions given below with respect to withdrawal:

a) The withdrawal option can be exercised by submitting the Form of Withdrawal, enclosed with the LOF, duly signed by all the registered holders as per their specimen signature recorded with JMC for shareholders in case of physical holdings/ with the Depository in case of electronic holdings so as to reach the Registrar to the Offer at the collection centre mentioned above on or before December 22, 2010. The signature of the beneficial holders on the Form of Withdrawal should be attested by the DP.

b) The withdrawal option can be exercised by submitting the Form of Withdrawal attached to this LOF, duly completed together with Acknowledgement slip in original / copy of the submitted Form of Acceptance in case delivered by Registered Acknowledgement Due.

c) In case of non-receipt of the Form of Withdrawal, the withdrawal option can be exercised by making an application on plain paper along with the following details:

   i. In case of physical shares: Name, address, distinctive numbers, folio number and number of shares tendered / withdrawn.

   ii. In case of dematerialised shares: Name, address, number of shares tendered / withdrawn, DP name, DP ID, Beneficiary Account no., and a photocopy of delivery instructions in "Off market" mode or counterfoil of the delivery instruction slip in "Off market" mode, duly acknowledged by the DP in favour of the special depository account.

d) Shareholders who have tendered shares in physical form and wish to partially withdraw their tenders, should also enclose valid share transfer form(s) for the remaining equity shares (i.e. shares not withdrawn) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with JMC and duly witnessed at the appropriate place.

e) The withdrawal of shares will be available only for the share certificates/ shares that have been received by the Registrar to the Offer/ credited to the Special Depository Account.

f) The intimation of returned shares to the shareholders will be at the address as per the records of JMC or the Depositories as the case may be.

g) In case of partial withdrawal of shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from JMC.

h) Partial withdrawal of tendered shares can be done only by the registered shareholders / beneficial owners. In case of partial withdrawal, the earlier Form of Acceptance will stand revised to that effect.

i) Shareholders holding shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP accounts.

9.9 In case the number of shares tendered for sale by the shareholders are more than the shares agreed to be acquired under the Offer, the Acquirer shall accept the Offers received from the shareholders on a proportionate basis as per regulation 21(6) of the Regulations in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots provided that acquisition of equity shares from a shareholder shall not be less than the minimum marketable lot or the entire holding, if it is less than the marketable lot.

Unaccepted share certificates, transfer forms and other documents, if any, will be returned by registered post at the shareholders'/ unregistered owners' sole risk to the sole/first shareholder. Shares held in demat form, to the extent not accepted, will be credited back to the beneficial owners' depository account with the respective DP as per the details furnished by the beneficial owner in the Form of Acceptance.

It will be the responsibility of the equity shareholders to ensure that the unaccepted equity shares are accepted by their respective DP when transferred by the Registrar to the Offer. Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit, if any, in their DP accounts. Shareholders should ensure that their depository accounts are maintained till the Offer formalities are completed.

9.10 The consideration to those shareholders whose shares or share certificates and/or other documents are found complete, valid and in order will be paid by crossed account payee cheques/demand drafts. Such considerations in excess of Rs. 1500/- or unaccepted Share Certificate(s), transfer deed(s) and other documents, if any, will be returned by registered post/speed post at the shareholders'/unregistered owners' sole risk to the sole/first shareholder/unregistered owner. Equity shares held in dematerialised form, to the extent not accepted, will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance or otherwise. The Acquirer are required to deduct tax at source, as may be applicable. All dispatches involving payment of a value upto Rs.1,500/- will be made under certificate of posting at the shareholders sole risk.

It is advised that shareholders provide bank details in the Form of Acceptance-cum-Acknowledgment so that same can be incorporated in the cheque/ demand draft/pay order.

9.11 The payment consideration for Shares accepted under the Offer may be made through National Electronic Clearing Services ("NECS"), Direct Credit ("DC"), RTGS ("Real Time Gross Settlement") or NEFT ("National Electronic Funds Transfer") at specified centers where clearing houses are managed by the Reserve Bank of India or through warrants/Demand Drafts. Shareholders who opt for receiving consideration through NECS/RTGS/NEFT are requested to give the authorization for DC/NECS/RTGS/NEFT in the Form of Acceptance and provide the Indian Financial System Code ("IFSC") and enclose a photocopy of cheque along with the Form of Acceptance.

9.11.1 Direct Credit – Applicants having bank accounts with the same bank through which payment consideration shall be made shall also be eligible to receive consideration through direct credit in their respective bank accounts as mentioned in the FOA.

9.11.2 RTGS – Applicants having a bank account at any of the RBI managed centres and whose payment consideration exceeds Rs. 1 lac, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive consideration through RTGS are required to provide the IFSC code in the FOA. In the event the same is not provided, payment consideration shall be made through other electronic modes or by cheques, pay orders or demand drafts payable.

9.11.3 NEFT (National Electronic Fund Transfer) – Payment of consideration shall be undertaken through NEFT wherever the shareholders bank has been assigned the IFSC code, which can be linked to a Magnetic Ink Character Recognition ("MICR"), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of consideration, duly mapped with MICR numbers. Wherever the shareholder has registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of consideration will be made to the applicants through this method. The process flow in respect of consideration by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.

9.11.4 For all other applicants, including those applicants whose payment consideration is not credited by NECS/Direct credit due to technical errors or incomplete/incorrect bank account details, payment consideration will be dispatched through Speed Post/ Registered Post. Such payment consideration will be made by cheques, pay orders or demand drafts payable at par at places where the address of the shareholder is registered.

9.11.5 In case of payment consideration is rejected through the NECS/Direct Credit facility, the registrar would endeavor to dispatch the payment consideration within 3 working days of such rejection.

9.11.6 **The bank account details for NECS/Direct Credit/RTGS/NEFT will be directly taken from the depository's database or from the details as mentioned by the shareholders in the FOA.**

9.12 The Registrar to the Offer will hold in trust the equity shares and share certificate(s), equity shares lying in credit of the Special Depository Account, Form of Acceptance, and the transfer deed(s) on behalf of the shareholders of JMC who have accepted the Offer, until the cheques/drafts for the consideration and/or the unaccepted equity shares / share certificates are dispatched/ returned.

9.13 The Acquirer and JMC have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended or any other regulation made thereunder.

10. TAX TO BE DEDUCTED AT SOURCE

Summary of various provisions related to Tax Deduction at Source (withholding tax) under the Income Tax Act.

10.1 All the shareholders should be classified as resident or non-resident. The status as resident / non-resident is to be determined on the basis of criteria laid down in section 6 of the Income Tax Act, 1961.

10.2 No tax is required to be deducted on payment of consideration to resident shareholders.

10.3 The Rate of Deduction of Tax in the case of non-resident is dependent on few other factors. Since the Acquirer does not have in-house information in respect of various shareholders, all the shareholders have to specify their category in the Form of Acceptance.

10.4 As per the provisions of the section 2(37A) (iii) of the Income Tax Act, 1961, for the purposes of deduction of tax under section 195, the rate or rates of income-tax specified in this behalf in the Finance Act or the rates or rates of income tax specified in an agreement entered into by the Central Government under section 90 or an agreement notified by the Central Government under section 90A, whichever is applicable by virtue of the provisions of section 90, or section 90A, as the case may be, i.e. whichever beneficial, would be the applicable rate of TDS.

10.5 In the event the aforementioned categories of shareholders require the Acquirer not to deduct tax or to deduct tax at a lower rate or on a lower amount, they would need to obtain a certificate from the income tax authorities either under section 195(3) or under section 197 of the Income Tax Act, and submit the same to Acquirer while submitting the Bid Form. In the absence of any such certificate from the income tax authorities, the Acquirer will deduct tax as aforesaid, and a certificate in the prescribed form shall be issued to that effect.

10.6 The shareholders should specify their residential status and in case of FII the nature of their holding i.e. whether shares held as investment account or on trade account. Non disclosure in the bid form would lead to deduction of tax at source at the highest rate. If any shareholder wishes that lesser tax should be deducted in his / its case he / it should produce certificate from his / its jurisdictional Income Tax Officer to that effect.

11 DOCUMENTS FOR INSPECTION

The following material documents are available for inspection by shareholders of JMC at the office of the Manager to the Offer, Collins Stewart Inga Private Limited, A – 404, Neelam Centre, Hind Cycle Road, Worli, Mumbai – 400 030 from 10.30 a.m. to 1.00 p.m. on any day except Saturdays, Sundays and public holidays from the date of opening of the Offer until the Offer closes.

a) Copy of Public Announcement as published in the newspapers on October 9, 2010.

b) Copy of Corrigendum to PA as published in the newspapers on November 30, 2010.

c) Certified true copy of resolution passed by Board of Directors of JMC Projects (India) Limited on October 6, 2010 approving preferential issue of 43,50,000 equity shares of Rs.10/- each at a price of Rs.207/- per share.

d) Copy of Memorandum and Articles of Association of KPTL.

e) Copy of Memorandum and Articles of Association of JMC.

f) Annual Reports of JMC for the financial years ended 2010, 2009 and 2008 and financial statement for the quarter ended June 30, 2010 certified by Statutory Auditors.

g) Annual Reports of KPTL for years ended 2010, 2009, 2008 and financial statement for the quarter ended June 30, 2010 certified by Statutory Auditors.

h) Copy of the letter issued by IDBI Bank Ltd., IDBI complex, Opp. Muni. staff quarters, Near Lal Bunglow, Off. C.G Road, Ahmedabad – 380 006, confirming deposit of Rs. 1,10,00,000 (Rupees One Crore Ten Lacs only) in terms of the Escrow requirements.

i) Copy of Bank guarantee issued by IDBI Bank Ltd., IDBI complex, Opp. Muni. staff quarters, Near Lal Bunglow, Off. C.G Road, Ahmedabad – 380 006 for an amount Rs.27,33,00,000/- (Rupees Twenty Seven Crores Thirty Three Lacs only) in terms of the Escrow requirements.

j) Copy of confirmation regarding opening of Special Depository Account in the name and Style of "LIIPL JMC Open Offer Escrow Demat Account"

k) Certificate from Mr. Kishan M. Mehta (Membership no. 13707) partner of M/s. Kishan M. Mehta & Co., Chartered Accountants, 6th Floor, Premchand House Annexe, Ashram Road, Ahmedabad -380 009, dated October 8, 2010 certifying that KPTL has adequate financial resources to meet the financial requirements of the Open Offer.

l) Letter no. CFD/DCR1/OW/27580/10 dated November 25, 2010 received from Securities and Exchange Board of India in terms of provisions of regulation 18(2) of the Regulations.

12 DECLARATION BY THE ACQUIRER

The Acquirer and its Directors accept responsibility severally and jointly for the information contained in this LOF and for their obligations under the Regulations and subsequent amendments made thereto. The Acquirer is responsible for fulfillment of their obligations in terms of the Regulations.

For and on behalf of Board of Directors,
Kalpataru Power Transmission Limited

Sd/-
Bajarang Ramdharani
(AVP-Finance & Company Secretary)

Place: Gandhinagar
Date: November 30, 2010

Encl:

1. Form of Acceptance
2. Form of Withdrawal
3. Transfer deed (wherever applicable)

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

(Please send this Form of Acceptance cum acknowledgement with enclosures to Link Intime India Private Limited at the collection centres as mentioned in the Letter of Offer)

OFFER OPENS ON	DECEMBER 8, 2010
OFFER CLOSES ON	DECEMBER 27, 2010

From :

Folio No. / DP ID No. / Client ID No.:

Name :

Full Address :

Put tick (✓)	Category
	Resident
	Non Resident
	Body Corporate
	Mutual Fund
	Foreign National
	Foreign Institutional Investor
	Overseas Corporate Body

Tel. No. : **Fax No. :** **E-mail :**

To,
Acquirer,
Link Intime India Private Limited
(Unit: **JMC PROJECTS (INDIA) LIMITED**)
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West)
Mumbai - 400 078
Contact Person: Mr. Nilesh Chalke
Email: nilesh.chalke@linkintime.co.in
Tel.: +91-22-2596 3838, Fax.: +91-22- 2596 0329

Dear Sir,

Sub. : Open Offer to acquire up to 52,80,687 equity shares of Rs.10/- each, representing 20.22% paid up equity capital and 20% of Emerging Voting Capital (as defined in the LOF), of JMC PROJECTS (INDIA) LIMITED ("JMC"/"Target company") by the Acquirer at a price of Rs. 207/- (Rupees Two Hundred Seven only) per fully paid up equity share.

I/We refer to the LOF dated November 30, 2010 for acquiring the Equity Shares held by me/us in **JMC PROJECTS (INDIA) LIMITED** I/We, the undersigned have read the LOF and understood their contents and unconditionally accept the terms and conditions as mentioned therein.

☐ **SHARES IN DEMATERIALIZED FORM**

I/We, holding shares in the dematerialized form, accept the Offer and enclose the photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by the Depository Participant ("DP") in respect of my/ our shares as detailed below:

DP Name	DP ID	Client ID	Beneficiary Name	No. of shares

I/We have executed an off-market transaction for crediting the shares to the special depository account via

☐ A delivery instruction from my account with NSDL

☐ An inter-depository delivery instruction from my account with CDSL

DP Name:	Ventura Securities Limited
DP ID / Client ID Number:	IN303116 / 10623514
ISIN	INE890A01016
Market	Off Market
Depository:	NSDL
Account Title:	"LIIPL JMC Open Offer Escrow Demat Account"

I/We note and understand that the shares would lie in the special depository account until the time the Acquirer dispatches the purchase consideration as mentioned in the LOF. I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

☐ **SHARES IN PHYSICAL FORM**

I/We accept the Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below:

Sr. No.	Ledger Folio No(s)	Certificate No(s)	Distinctive No(s)		No. of shares
			From	To	
1.					
2.					
3.					
4.					
Total number of shares					

(In case the space provided is inadequate, please attach a separate sheet with details.)

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ACKNOWLEDGEMENT SLIP

Received from Mr./Ms. ____

residing at ____

____________________________________ Acceptance cum Acknowledgement for ______________shares along with:

☐ Copy of depository instruction slip from DP ID ____________ Client ID ____________ Share Certificate(s) under folio number(s) ____________ for accepting the Offer made by the Acquirer.

Stamp of Collection Centre:		Signature of Official:		Date of Receipt:	

I/We note and understand that the Registrar to the Offer will hold the original share certificate(s) and valid share transfer deed in trust for me/us until the time the Acquirer dispatches the purchase consideration as mentioned in the LOF. I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

For NRIs/ OCBs/ FIIs/ Foreign Shareholders:

I/We have enclosed the following documents:

☐ No Objection Certificate / Tax Clearance Certificate from Income Tax Authorities.

☐ RBI approvals for acquiring shares of **JMC PROJECTS (INDIA) LIMITED** hereby tendered in the Offer.

☐ Copy of Permanent Account Number/PAN Card

I/We confirm that the Equity Shares of **JMC PROJECTS (INDIA) LIMITED** which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We authorize the Acquirer to accept the shares so Offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the LOF and I/We further authorize the Acquirer to return to me/us, share certificate(s)/ shares in respect of which the Offer is not found valid/not accepted without specifying the reasons thereof.

I/We authorize the Acquirer and the Registrar to the Offer and the Manager to the Offer to send by Registered Post/UPC as may be applicable at my/our risk, the draft/cheque, in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned below.

The Permanent Account Number (PAN/GIR No.) allotted under the Income Tax Act is as under.

	First / Sole Shareholder	Second Joint Shareholder	Third Joint Shareholder
PAN/GIR No.			

Bank Details

So as to avoid fraudulent encashment in transit, the shareholder(s) holding shares in physical form should provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly. For shares that are tendered in demat form, the Bank account as obtained from the beneficiary position (download to be provided by the depositories) will be considered and the draft/cheque will be issued with the said Bank particulars, and not any details provided herein.

Shareholders have an option to receive the consideration through DC/NECS/RTGS/NEFT. I/We [Put tick (√) mark]

☐ Opt for DC/NECS/RTGS/NEFT

☐ Not Opt for DC/NECS/RTGS/NEFT

Shareholders those who opt to receive the consideration through DC/ECS/RTGS/NEFT of Reserve Bank of India are requested to provide Photo Copy of cheque along with following Bank Account Details:

Name of the Bank		Branch	
Account Number		Savings/Current/(Others: please specify)	
9 Digit MICR Code		IFSC Code	

Yours faithfully,

Signed and Delivered

	Full Name(s) of the shareholders	Signature
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of First/Sole Shareholder____

Place:

Date:

PLEASE NOTE THAT NO SHARES / FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRER OR TO THE MANAGER TO THE OFFER

General Instructions

(1) In case of shares held in joint names, names should be filled up in the same order in the Form and in the transfer deed(s) as the order in which they hold shares in **JMC PROJECTS (INDIA) LIMITED**, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer.

(2) **In case where the signature is subscribed by thumb impression,** the same shall be verified and attested by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the seal of his office.

(3) **Non-resident shareholders** should enclose copy (ies) of permission received from Reserve Bank of India to acquire shares held by them in **JMC PROJECTS (INDIA) LIMITED.**

(4) **In case of bodies corporate,** certified copies of appropriate authorization (including Board/shareholder resolutions, as applicable) authorizing the sale of shares along with specimen signatures duly attested by a bank must be annexed. The common seal should also be affixed.

(5) **Shareholders having their beneficiary account in CDSL has to use inter-depository delivery instruction slip for the purpose of crediting their equity shares in favor of the Special Depository Account with NSDL.**

(6) All the shareholders should provide all relevant documents which are necessary to ensure transferability of the shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):

   (a) Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired.

   (b) Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s).

   (c) No Objection Certificate from any lender, if the shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.

PLEASE REFER TO THE DETAILED INSTRUCTIONS UNDER PARA 9 TITLED PROCEDURES FOR ACCEPTANCE AND SETTLEMENT ON PAGE 32 OF THIS LOF.

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All queries in this regard to be addressed to the Registrar to the Offer at the following address quoting your reference Folio No/DP ID/Client ID:

Link Intime India Private Limited
(Unit: **JMC PROJECTS (INDIA) LIMITED**)
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West)
Mumbai - 400 078
Contact Person : Mr. Nilesh Chalke
Email: nilesh.chalke@linkintime.co.in
Tel.: +91-22-2596 3838
Fax.: +91-22- 2596 0329

FORM OF WITHDRAWAL-CUM-ACKNOWLEDGEMENT

(Please send this Form of Withdrawal; with enclosures to Link Intime India Private Limited at the collection centres as mentioned in the Letter of Offer)

From :

Folio No. / DP ID No. / Client ID No.:

OFFER OPENS ON	**DECEMBER 8, 2010**
LAST DATE OF WITHDRAWAL	**DECEMBER 22, 2010**
OFFER CLOSES ON	**DECEMBER 27, 2010**

Name :

Full Address :

Tel. No. : **Fax No. :** **E-mail :**

To,
Acquirer,
Link Intime India Private Limited
(Unit: **JMC PROJECTS (INDIA) LIMITED**)
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West)
Mumbai - 400 078
Contact Person: Mr. Nilesh Chalke
Email: nilesh.chalke@linkintime.co.in
Tel.: +91-22-2596 3838, Fax.: +91-22- 2596 0329

Dear Sir,

Sub. : Open Offer to acquire up to 52,80,687 equity shares of Rs.10/- each, representing 20.22% paid up equity capital and 20% of Emerging Voting Capital (as defined in the LOF), of JMC PROJECTS (INDIA) LIMITED ("JMC"/"Target company") by the Acquirer at a price of Rs. 207/- (Rupees Two Hundred Seven only per fully paid up equity share.

I/We refer to the LOF dated November 30, 2010 for acquiring the Equity Shares held by me/us in **JMC PROJECTS (INDIA) LIMITED**. I/We, the undersigned have read the LOF and understood their contents and unconditionally accept the terms and conditions as mentioned therein

I / We hereby consent unconditionally and irrevocably to withdraw my / our shares from the Offer and I / we further authorize the Acquirer to return to me / us, the tendered Share Certificate(s) / Share(s) at my / our sole risk.

I / We note that upon withdrawal of my / our shares from the Offer, no claim or liability shall lie against the Acquirer / Manager to the Offer / Registrar to the Offer.

I / We note that this Form of Withdrawal should reach the Registrar to the Offer on or before the last date of withdrawal i.e. **December 22, 2010, (Wednesday).**

I / We note the Acquirer / Manager to the Offer / Registrar to the Offer shall not be liable for any postal delay / loss in transit of the shares held in physical form and also for the non-receipt of shares held in the dematerialized form in the DP account due to inaccurate / incomplete particulars/ instructions.

I / We also note and understand that the Acquirer will return the original share certificate(s), share transfer deed(s) / shares in dematerialized form only on completion of verification of the documents, signatures and beneficiary position as available with the depositories from time to time.

The particulars of tendered original share certificate(s) and duly signed transfer deed(s) are detailed below:

Sr. No.	Ledger Folio No(s)	Certificate No(s)	Distinctive No(s)		No. of shares
			From	To	
1.					
2.					
3.					
4.					
Total number of shares					

(In case the space provided is inadequate, please attach a separate sheet with details.)

I / We hold the following shares in dematerialized form and had executed an off-market transaction for crediting the shares to the **"LIIPL JMC Open Offer Escrow Demat Account".** Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by DP. The particulars of the account from which my / our shares have been tendered are as follows:

DP Name	DP ID	Client ID	Beneficiary Name	No. of shares

I / We note that the shares will be credited back only to that depository account, from which the shares have been tendered and necessary standing instructions have been issued in this regard.

– Tear along this line –

ACKNOWLEDGEMENT SLIP

Received from Mr./Ms. ____

residing at ____

______________________________ A Form of Withdrawal for ______________shares along with a copy of:

☐ Depository instruction slip from DP ID ___________ Client ID _____________

☐ Acknowledgement slip issued when depositing dematerialized shares

☐ Acknowledgement slip issued when depositing physical shares

for withdrawing from the Offer made by the Acquirer

Stamp of Collection Centre:		Signature of Official:		Date of Receipt:	

I / We confirm that the particulars given above are true and correct.

In case of dematerialized shares, I / we confirm that the signatures have been verified by the DP as per their records and the same have been duly attested.

Yours faithfully,

Signed and Delivered

	Full Name(s) of the shareholders	Signature
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of First/Sole Shareholder____

Place:

Date:

PLEASE NOTE THAT THE FORM OF WITHDRAWAL SHOULD NOT BE SENT DIRECTLY TO THE ACQUIRER OR TO THE MANAGER TO THE OFFER

General Instructions

(1) **In case of shares held in joint names**, names should be filled up in the same order in the Form and in the transfer deed(s) as the order in which they hold shares in the **JMC PROJECTS (INDIA) LIMITED**, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Counter Offer.

(2) **In case where the signature is subscribed by thumb impression**, the same shall be verified and attested by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the seal of his office.

(3) **In case of bodies corporate**, certified copies of appropriate authorization (including Board/shareholder resolutions, as applicable) authorizing the sale of shares along with specimen signatures duly attested by a bank must be annexed. The common seal should also be affixed.

(4) **All the shareholders** should provide all relevant documents which are necessary to ensure transferability of the shares in respect of which the withdrawal is being sent. Such documents may include (but not be limited to):

    (d) Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired.

    (e) Duly attested power of attorney if any person apart from the shareholder has signed withdrawal form or transfer deed(s).

PLEASE REFER TO THE DETAILED INSTRUCTIONS UNDER PARA 9 TITLED PROCEDURES FOR ACCEPTANCE AND SETTLEMENT ON PAGE 32 OF THIS LOF.

– Tear along this line –

All queries in this regard to be addressed to the Registrar to the Offer at the following address quoting your reference Folio No/DP ID/Client ID:

Link Intime India Private Limited
(Unit: **JMC PROJECTS (INDIA) LIMITED**)
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West)
Mumbai - 400 078
Contact Person : Mr. Nilesh Chalke
Email: nilesh.chalke@linkintime.co.in
Tel.: +91-22-2596 3838
Fax.: +91-22- 2596 0329

SAP Print Solutions Pvt. Ltd. Tel.: 022 4074 1000