

Concrete Commitment is Our Strength



**MADHAV
GROUP**



MSK PROJECTS (INDIA) LTD.

707, Sterling Centre, R. C. Dutt Road, Alkapuri, Vadodara - 390 005.

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ELEVENTH ANNUAL REPORT 2004-2005

BOARD OF DIRECTORS

Shri Ashok Khurana
Managing Director

Shri Ashok Gandhi
Director

Shri Amit Khurana
Executive Director

Shri Mayur Parikh
Director

Shri C. Mohanan
Executive Director

Smt. Manju Khurana
Whole-time Director

Smt. Dipti Shah
Director

Shri Ketan Shah
Director

Shri Sanjay Mehta
Director

Company Secretary:

Aruna N. Dak

Registered Office:

707-708, Sterling Center, R.C. Dutt Road, Alkapuri, Baroda- 390 005

Auditors:

M/s Chandrakant & Seventilal & J.K. Shah & Company, Chartered Accountants, 301, Lalita Tower, 3rd Floor, Near Hotel Rajpath, Bh. Rly. Station- Akota Road, Vadodara- 390 007

Principal Bankers:

Corporation Bank, Alkapuri, Vadodara

Registrar & Share Transfer Agent :

Purva Sharegistry Private Ltd.

33, Printing House, 28-D Police Court Lane, Bh. Old Handloom House, Fort, Mumbai- 400 001

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CHAIRMAN'S SPEECH

Dear Shareholders,

The Government has continued reforms for infrastructure with strong support and new initiatives with participation of private sector. The government is committed to strengthen the infrastructure sector, which is the back bone of all industries. The future outlook of the construction industry continues to be bright and challenging. However, hike in petroleum products and raw materials such as steel, cement etc. may be the main factors that may lead to some uncertainties in profits. Your company proposes to continue to concentrate its efforts in executing large infrastructure projects such as roads, water supply, residential, commercial and other infrastructure projects.

You will be glad to know that your company has achieved a turnover of Rs. 7821 Lacs during the year under review as against Rs. 7262 Lacs in the previous year, registering a growth of 7.70%. The company has earned a net profit of Rs. 463.17 Lacs as against Rs. 303.11 Lacs for the previous year.

It is with particular pride that I draw your attention to the successful execution of Hoshangabad Harda- Khandwa Road Project, having total length of 185.6 Kms. With project cost of Rs. 81 Crore for MPRDC. The route is a part of old Bombay Calcutta Road and it shortens the route by 30Kms. And the vehicle operation cost is reduced to the extent of Rs. 450/-.

The company is also concurrently executing another road project for MPRDC i.e. Raisen Rahatgarh Road Project, which is also on the verge of completion.

Your company continues to maintain its efficient track record in completing the projects within scheduled completion dates. The company has secured new orders aggregating approximate value of Rs. 168 Crore.

In procedure to amalgamate the wholly owned subsidiary companies with the company, approval from the Stock Exchanges where the securities are listed has been availed. The amalgamation will be beneficial to the company as well as shareholders as it will result in avoidance of double taxation and net worth of the company will be further strengthened.

I sincerely thank all the shareholders who reposed their confidence and support in the company and contributed to the promotion. I would like to place on record the highest appreciation for the sincere and dedicated service rendered by the officers and the staff of the company to achieve various goals as bought out in report.

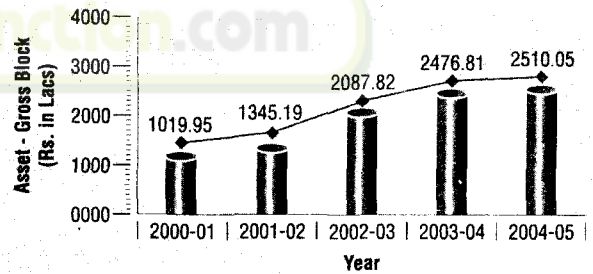
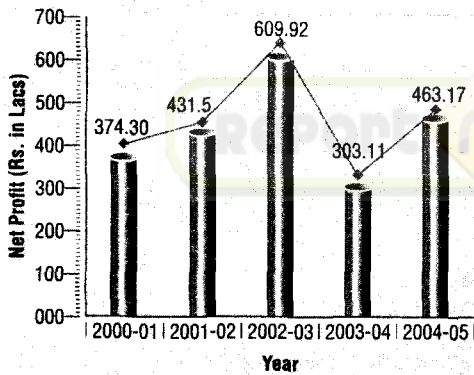
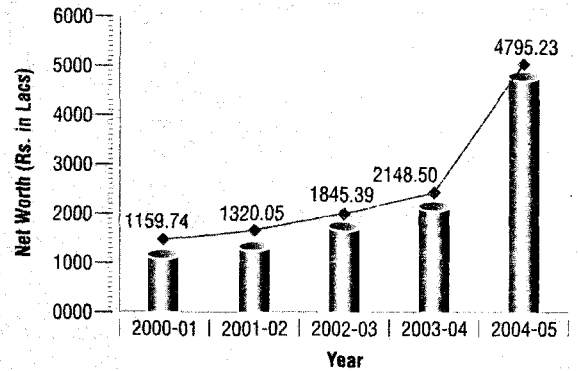
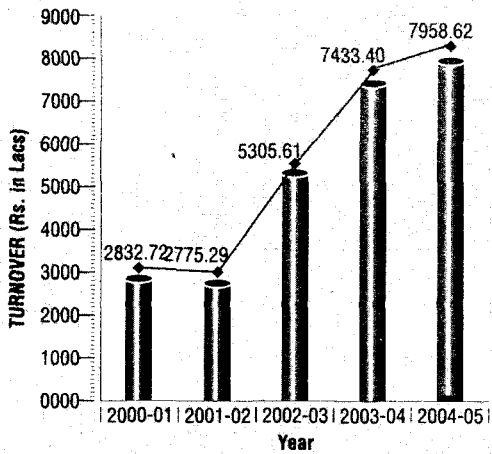
Ashok Khurana
Chairman cum Managing Director

FINANCIAL HIGHLIGHTS

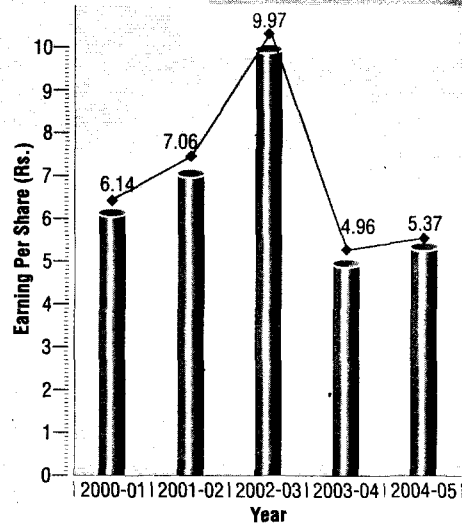
(Rs. in Lacs)

DESCRIPTION	2004-05	2003-04	2002-03	2001-02	2000-01
SALES & EARNINGS					
Sales incl. Other Income	7958.62	7433.40	5305.61	2775.29	2832.72
Profit after Taxes	463.17	303.11	609.92	431.5	374.3
ASSETS & LIABILITIES					
Gross Fixed Assets	2510.05	2476.81	2087.82	1345.19	1019.95
Net Fixed Assets	1270.61	1472.46	1357.03	736.30	521.03
Net Current Assets	4903.49	2668.87	1665.66	1514.72	1710.25
TOTAL NET ASSETS	6174.10	4141.33	3022.69	2251.02	2231.28
REPRESENTED BY					
Shareholders Funds	4795.23	2148.5	1845.39	1320.05	1159.74
Borrowings (long term)	1306.51	1681.39	1038.91	579.92	596.8
Advances	72.36	311.44	138.39	351.05	474.74
TOTAL RESOURCES	6174.10	4141.33	3022.69	2251.02	2231.28
EARNINGS					
Earning per Share (Rs.)	5.37	4.96	9.97	7.06	6.14

FINANCIAL HIGHLIGHTS



EARNING PER SHARE





Concrete Commitment is Our Strength

MSK Projects (India) Limited aims to cultivate itself steadily on the concrete foundation with objective to grow higher and higher to achieve new skies of success.

Growing prospect of Infrastructure and construction industry is endless. Central and State Governments are focusing on development of infrastructure regime and opening the roads of opportunities and growth potentials before the sector. In the recent budget also, Finance Minister has concentrated over infrastructure sector. In housing sector the lower interest rate structures, tax incentives and easy access to housing loans promises good times to the construction industry.

MSK is in civil construction business for over a decade and the group is growing day by day with its strong commitment of timeliness, quality delivery and fair dealings. Along with road projects on BOT basis, the company has experience in versatile field of construction such as mass housing & township, multi- storied buildings, industrial projects coal mines, fertilizer plants, petrochemicals, water retaining structures, leaving no job impossible.



NOTICE & EXPLANATORY STATEMENT

NOTICE is hereby given that the Eleventh Annual General Meeting of the Company will held on Friday, the 30th day of September, 2004 at 4.00 p.m. at Vanijya Bhavan, Nr. Race Course Circle, Alkapuri, Vadodara -390005, Gujarat to transact the following businesses:

ORDINARY BUSINESS:

- 1 To consider, approve and adopt the Balance sheet as on 31st March, 2005 and the Profit & Loss Account for the year ended on that date together with the Directors' and Auditors' Report there on.
- 2 To appoint a director in place of Mr. C. Mohanan, who retires by rotation at the ensuing Annual General Meeting of the company and being eligible, offers himself for reappointment.
3. To Declare dividend on Equity Shares.
4. To consider and if thought fit pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED that M/s Chandrakant & Seventilal & J.K. Shah & Company, Chartered Accountants, be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at such remuneration as may be determined by mutual consent of board of directors and the Auditors."

SPECIAL BUSINESS:

5. To consider and if thought fit to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED that, Shri Ashok Gandhi who was appointed as an additional director of the company and who holds office upto the date of this Annual General Meeting pursuant to Section 260 of The Companies Act, 1956, and it respect of whom the company has received notice from a member under Section 257 of The Companies Act signifying the intention to propose Shri Ashok Gandhi as a director be and is hereby appointed as a Director of the Company liable to retire by rotation".

"FURTHER RESOLVED that the Board of Directors of the company be and is hereby authorised to take all such steps as may be necessary proper or expedient to give effect to this resolution."
6. To consider and if thought fit to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED that, Shri Mayur Parikh who was appointed as an additional director of the company and who holds office upto the date of this Annual General Meeting pursuant to Section 260 of The Companies Act, 1956, and it respect of whom the company has received notice from a member under Section 257 of The Companies Act signifying the intention to propose Shri Mayur Parikh as a director be and is hereby appointed as a Director of the Company liable to retire by rotation".

"FURTHER RESOLVED that the Board of Directors be and is hereby authorised to take all such steps as may be necessary proper or expedient to give effect to this resolution."
7. To consider and if thought fit to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED that, Smt. Dipti Shah who was appointed as an additional director of the company and who holds office upto the date of this Annual General Meeting pursuant to Section 260 of The Companies Act, 1956, and it respect of whom the company has received notice from a member under Section 257 of The Companies Act signifying the intention to propose Smt. Dipti Shah as a director be and is hereby appointed as a Director of the Company liable to retire by rotation".

"FURTHER RESOLVED that the Board of Directors be and is hereby authorised to take all such steps as may be necessary proper or expedient to give effect to this resolution."
8. To consider and if thought fit to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED that, Shri Sanjay Mehta who was appointed as an additional director of the company and who holds office upto the date of this Annual General Meeting pursuant to Section 260 of The Companies Act, 1956, and it respect of whom the company has received notice from a member under Section 257 of The Companies Act signifying the intention to propose Shri Sanjay Mehta as a director be and is hereby appointed as a Director of the Company liable to retire by rotation".

"FURTHER RESOLVED that the Board of Directors be and is hereby authorised to take all such steps as may be necessary proper or expedient to give effect to this resolution."

BY ORDER OF BOARD
For MSK Projects (India) Limited

Place: Vadodara
Date: 14/08/2005

Aruna N. Dak
Company Secretary

NOTES:-

- 1 **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY, IN ORDER TO BE EFFECTIVE, SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING. (FORM ATTACHED HEREWITH)**
- 2 Members are requested to notify immediately their change of address, if any to their Depository Participants (DPs).
- 3 The Register of Members and Share Transfer books of the Company will be closed from 22nd September, 2005 to 30th September, 2005. (both days inclusive).
- 4 Members/Proxies should bring the Attendance Slips duly filled in for attending the meeting.
- 5 **Members desirous of seeking any information/clarification on the accounts or operations of the company is requested to forward his/ her query to the Company Secretary so as to reach at least seven working prior to the meeting, so the required information can be made available at the meeting.**
- 6 Members, who hold shares in dematerialized form are requested to bring their depository account number (Client ID No.) for easy identification and recording of attendance at the meeting.

Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the Special business specified in item No. 5 to 8 set out above are hereunder. The document referred to in the Resolution(s) and in the Explanatory Statement pertaining to the items of Special Business are available for inspection at the Registered Office of the company on all working days between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.

EXPLANATORY STATEMENT:

ITEM NO. 5

Shri Ashok Gandhi, is a renowned Advocate and practices in Ahmedabad. The board has appointed him as an Additional Director w.e.f. 27th October, 2004. As per Section 260 of The Companies Act, 1956 he holds office up to the date of Annual General Meeting. The company has received notice from a member under Section 257 of The Companies Act signifying the intention to propose Shri Ashok Gandhi as a director. In view of his vast experience, it is thought fit to appoint him as director of the company, liable to retire by rotation.

None of the directors other than Shri Ashok Gandhi is interested either directly or indirectly in the resolution.

Your directors recommend the resolution set out at item no. 5 for the approval of the members.

ITEM NO. 6

Shri Mayur Parikh, is a Fellow member of the Institute of Chartered Accountants of India and practices his profession in Ahmedabad with multifaceted knowledge pertaining to Capital Market, Finance, Taxation, Audit and related areas. The board has appointed him as an Additional Director w.e.f. 27th October, 2004. As per Section 260 of The Companies Act, 1956 he holds office up to the date of Annual General Meeting. The company has received notice from a member under Section 257 of The Companies Act signifying the intention to propose Shri Mayur Parikh as a director. In view of his vast experience, it is thought fit to appoint him as director of the company liable to retire by rotation.

None of the directors other than Shri Mayur Parikh is interested either directly or indirectly in the resolution.

Your directors recommend the resolution set out at item no. 6 for the approval of the members.

ITEM NO. 7

Smt. Dipti Shah, is a Fellow Member of the Institute of company Secretaries of India. The board has appointed her as an Additional Director w.e.f. 27th October, 2004. As per Section 260 of The Companies Act, 1956 she holds office up to the date of Annual General Meeting. The company has received notice from a member under Section 257 of The Companies Act signifying the intention to propose Smt. Dipti as a director. In view of her professional qualification, it is thought fit to appoint her as director of the company liable to retire by rotation.

None of the directors other than Smt. Dipti Shah is interested either directly or indirectly in the resolution.

Your directors recommend the resolution set out at item no. 7 for the approval of the members.

ITEM NO. 8

Shri Sanjay Mehta, is a Fellow member of the Institute of Chartered Accountants of India and having experience of more than a decade. Shri Sanjay Mehta is providing services mainly in the field of Audit, Taxation, Finance Syndication and Capital market operations more specifically in the field of Infrastructure Financing. The board has appointed him as an Additional Director w.e.f. 15th March, 2005. As per Section 260 of The Companies Act, 1956 he holds office up to the date of Annual General Meeting. The company has received notice from a member under Section 257 of The Companies Act signifying the intention to propose Shri Sanjay Mehta as a director. In view of his fund management capacities, it is thought fit to appoint him as director of the company liable to retire by rotation.

None of the directors other than Shri Sanjay Mehta is interested either directly or indirectly in the resolution.

Your directors recommend the resolution set out at item no. 8 for the approval of the members.

**BY ORDER OF BOARD
For MSK Projects (India) Limited**

**Aruna N. Dak
Company Secretary**

**Place: Vadodara
Date: 14/08/2005**

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 11th Annual Report together with the Audited Financial Statement along with the Report of the Auditors for the year ended on 31st March 2005. This report is first after the Initial Public Offer of equity shares of the company.

(Rs. in Lacs)

FINANCIAL RESULTS	2004-05	2003-04
Contract Receipts	7821.28	7261.89
Toll Collection	-	75.45
Depreciation	248.00	266.46
BOT Expenses Written off	-	25.68
Finance and Bank Charges	163.00	179.29
Profit before Tax	490.59	419.64
Provision for tax	27.42	116.53
Profit after Tax	463.17	303.11
Appropriation		
Proposed Dividend	121.18	-
Tax on Dividend	17.00	-
Balance Carried to Balance Sheet	1530.40	1205.40

➤ **Dividend :**

Your Directors are pleased to recommend Final Dividend of Re. 1/- (10%) per equity share for the financial year ended 31st March, 2005.

➤ **Deposits and Loans/Advances:**

The company has accepted deposits by private placements, complying with the Section 58A of the Companies Act, 1956 and applicable rules and regulations. There are no deposits which become due but not repaid or renewed.

The particulars of loans/ advances and investment in its own shares by listed companies, their subsidiaries, associates etc. required to be disclosed in the annual accounts of the company pursuant to clause 32 of the Listing Agreement with the company are furnished separately.

➤ **Initiatives on hand:**

During the year the company has registered in its order book, the projects as:

- Site Upgradation Work of Indian Oil Corporation Limited (7.7 Cr.)
 - Construction of residential work at Bhandup, Maharastra. (16 Cr)
 - Dewas Water Supply Project on BOT basis (85 Cr.)
 - Himatnagar Bypass Project on BOT basis (7 Cr.)
 - Construction of Approaches of ROB's (14.6 Cr.)
 - Jalandhar Bus Terminal Project. (17 Cr.)
 - Work project at Panipat. (4 Cr.)
 - Ludiana Bus Terminal Project (16.5 Cr.)
- (Estimated project cost is given in brackets)

➤ **Further issue of securities:**

During the year the company came up with initial public offering of its 60,00,000 Equity shares of Rs. 10/- at a premium of Rs. 30/- per share to the public, the issue was oversubscribed and after basis of allotment as decided between company and The Stock Exchange, Mumbai BSE (Recognised Stock Exchange), 60,10,958 Equity shares were allotted to the public at the board meeting held on 27th October, 2004.

➤ **Utilisation of issue proceeds:**

In the public issue of the company total shares allotted were 60,10,958 at a issue price of Rs. 40/- per share.

The total issue proceeds being Rs. 24,04,38,320/- is utilized as under:-

• **Details of money utilized:-**

The amount was utilized as disclosed in the prospectus for the two BOT projects of the company:

1. **Hoshangabad-Harda Khandwa Road Project:-**

Investment made by the company in the Hoshangabad- Harda- Khandwa road Project amounting to Rs. 13,52,34,638/- (Rupees Thirteen Crore Fifty Two Lacs Thirty Four Thousand Six Hundred and Thirty Eight only)

2. **Raisen Rahatgarh Road Project:-**

The company has utilized Rs. 9,90,70,598/- (Rupees Nine Crore Ninety Lacs Seventy Thousand Five Hundred and Ninty Eight only) by way of investment in Raisen Rahatgarh Road Project.

3. **Public issue Expenses:**

Public Issue Expenses were Rs. 61,33,084/- (Rupees Sixty One Lacs Thirty Three Thousand and Eighty Four only).

• **Details of money unutilized:-**

The whole amount of Rs. 24,04,38,320/- has been utilized as detailed above and no amount now remains un utilized.

• **Money received under Promoter's Contribution and firm allotments:-**

In the issue, the promoters have not contributed any amount and there were no firm allotment or reservations.

➤ **Listing of shares:**

The company fall under the regime of listed entity on 2nd November, 2004 and the public is trading the equity shares of the company since 4th November, 2004.

➤ **Dematerialization of securities:**

The company has dematerialized its all newly issued shares however, the shares under promoter's quota and lock-in are in physical form.

➤ **Directors :**

In the step of proceeding towards a good Corporate Governance Practice, the board appointed four professionals as independent and Additional directors of the company in the board meeting dated 27th October, 2004, viz.:

Shri Mayur Parikh
Shri Ashok Gandhi
Shri Ketan Shah
Smt. Dipti Shah

The board has also co opted on board, Shri Sanjay Mehta, Chartered Accountant as Additional Director of the company on 15th March, 2005.

The Additional Directors appointed by the board, to be appointed as Directors liable to retire by rotation in the Annual General Meeting of the company subject to approval of shareholders.

In accordance with the requirements of the Companies Act, 1956, Shri C. Mohanan, Director of the Company will retire by rotation in the Annual General Meeting, being eligible offers himself for reappointment.

➤ **Auditors:**

The Statutory Auditors of the Company M/s Chandrakant & Seventilal & J. K. Shah & Company, Chartered Accountants are retiring at conclusion of this Annual General Meeting, being eligible they offers themselves for reappointment. The Auditors have confirmed that, if appointed, their appointment will be within the limits as laid down under section 224(1B) of the Companies Act, 1956.

With regard to adverse qualification made by the Auditors' in the Annexure to the Report, the Directors have explained the same in the notes forming part of the Accounts.

➤ **Corporate Developments:**

✓ **Subsidiaries of the company**

The company has four subsidiary companies as on 31-03-2005 :-

1. MSK Infrastructure & Toll Bridge Pvt. Ltd.
2. Alpha Engicon Private Limited