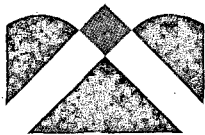


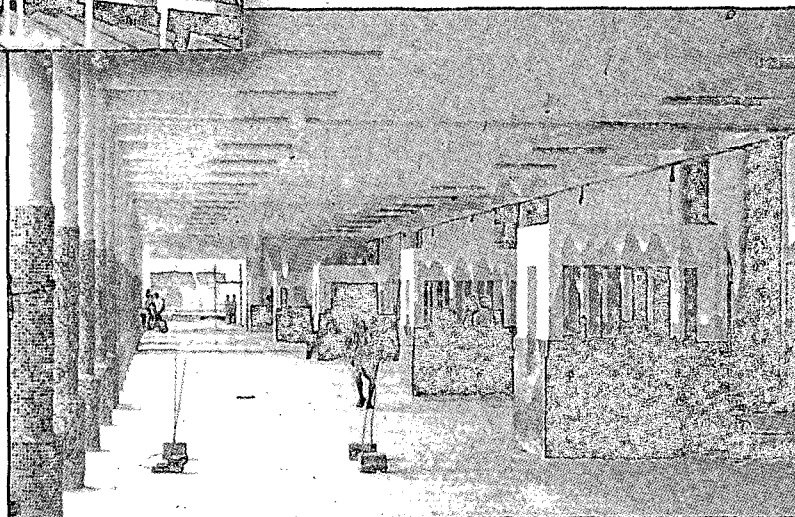
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13TH ANNUAL REPORT 2006-2007

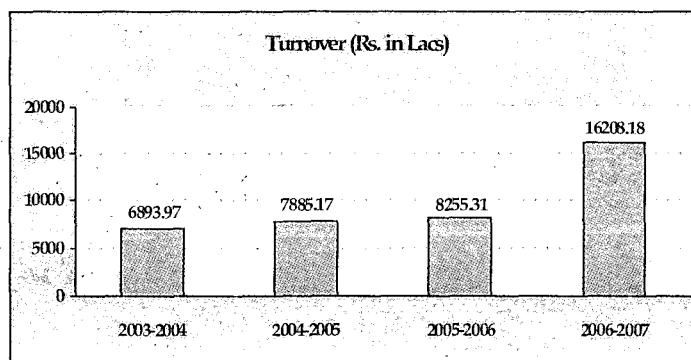
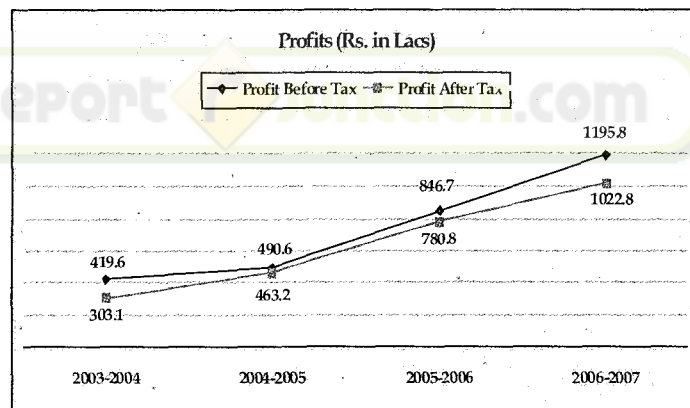
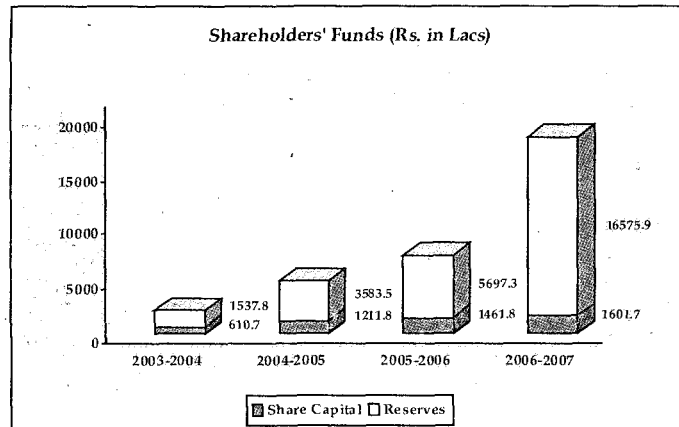


**Concrete Commitment is
Our Strength**



MSK PROJECTS (INDIA) LTD.

Financial Highlights





MSK Projects (India) Limited

THIRTEENTH ANNUAL REPORT

BOARD OF DIRECTORS	Shri Ashok Gandhi	Chairman
	Shri Ashok Khurana	Managing Director
	Shri Amit Khurana	Joint Managing Director
	Smt. Manju Khurana	Whole-time Director
	Shri C. Mohanan	Executive Director
	Shri Mayur Parikh	Director
	Smt. Dipti Shah	Director
	Shri Sanjay Mehta	Director
<hr/>		
COMPANY SECRETARY	Shri Chirag K. Shukla	
<hr/>		
REGISTERED OFFICE	707-708, Sterling Center, R.C. Dutt Road, Alkapuri, Vadodara- 390 005	
<hr/>		
AUDITORS	M/s Chandrakant & Sevantilal & J.K. Shah & Company Chartered Accountants, 301, Lalita Tower, 3rd Floor, Near Hotel Rajpath, Bh. Rly. Station- Akota Road, Vadodara- 390 007	
<hr/>		
PRINCIPAL BANKER	Corporation Bank, Alkapuri, Vadodara State Bank of India	
<hr/>		
REGISTRAR & SHARE TRANSFER AGENT	Purva Sharegistry (India) Private Ltd. 33, Printing House, 28-D Police Court Lane, Bh. Old Handloom House, Fort, Mumbai- 400 001	

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MSK Projects (India) Limited

NOTICE

NOTICE is hereby given that the Thirteenth Annual General Meeting of the Company will be held on Saturday, the 29th day of September, 2007 at 04.30 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, 2007 and the Profit & Loss Account for the year ended on that date together with the Directors' and Auditors' Report thereon.
2. To appoint a director in place of Smt. Dipti Shah, who retires by rotation at the ensuing Annual General Meeting of the company and being eligible, offers herself for reappointment.
3. To appoint a director in place of Shri Sanjay Mehta, who retires by rotation at the ensuing Annual General Meeting of the company and being eligible, offers himself for reappointment.
4. To declare dividend @ 10% on Equity Shares.
5. To consider and if thought fit, pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s Chandrakant & Sevantilal & J.K. Shah & Co., 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:

6. To Consider and if thought fit, pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to provisions of section 198, 309, 310 and subject to provisions of Schedule XIII and any other applicable provisions, if any, of the Companies Act, 1956, the approval, be and is, hereby accorded to the increase in remuneration payable to Shri Ashok M. Khurana, Managing Director of the Company w.e.f. 1st April, 2007 as detailed hereunder.

- a] Salary : Rs. 3,75,000 per month
- b] Shri Ashok M. Khurana to be provided with car for use on Company's business and telephone at residence. Personal long distance calls on telephone and use of car for private purpose to be billed to Shri Ashok M. Khurana.
- c] Shri Ashok M. Khurana to be entitled to reimbursement of entertainment expenses actually and properly incurred for the business of the Company.
- d] Terminal Benefits:

Company's contribution towards Provident Fund/ Super Annuation Fund/ Annuity Fund: According to the rules of the Company to the extent that these either singly or put together are not taxable under the Income Tax Act, 1961

Gratuity: In accordance with the scheme as applicable to other senior management employees, at a rate not exceeding one-half month's salary for each completed year of service.

Encashment of Leave : Privileged Leave encashment as per rules of the Company at the end of the tenure of the agreement.

FURTHER RESOLVED THAT the Board of Directors of the Company or any sub committee thereof, be and is hereby authorised to alter or vary the terms and conditions of the said Agreement, from time to time in such manner as may be agreed upon between the Company and Shri Ashok M. Khurana and within limits prescribed by the Companies Act, 1956"

7. To Consider and if thought fit, pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to provisions of sections 198, 269 and 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 the approval, be and is, hereby accorded to appointment of Shri Amit A. Khurana,



MSK Projects (India) Limited

Executive Director as Joint Managing Director of the Company, w.e.f. 30th April, 2007 on the terms and conditions as detailed hereunder:

- a] Salary : Rs. 3,75,000 per month
- b] Shri Amit A. Khurana to be provided with car for use on Company's business and telephone at residence. Personal long distance calls on telephone and use of car for private purpose to be billed to Shri Amit A. Khurana.
- c] Shri Amit A. Khurana to be entitled to reimbursement of entertainment expenses actually and properly incurred for the business of the Company.
- d] Terminal Benefits:

Company's contribution towards Provident Fund/ Super Annuation Fund/ Annuity Fund: According to the rules of the Company to the extent that these either singly or put together are not taxable under the Income Tax Act, 1961

Gratuity: In accordance with the scheme as applicable to other senior management employees, at a rate not exceeding one-half month's salary for each completed year of service.

Encashment of Leave : Privileged Leave encashment as per rules of the Company at the end of the tenure of the agreement.

FURTHER RESOLVED THAT the Board of Directors of the Company or any sub committee thereof, be and is hereby authorised to alter or vary the terms and conditions of the said Agreement, from time to time in such manner as may be agreed upon between the Company and Shri Amit A. Khurana and within limits prescribed by the Companies Act, 1956"

8. To Consider and if thought fit, pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to provisions of section 198, 309, 310 and subject to provisions of Schedule XIII and any other applicable provisions, if any, of the Companies Act, 1956, the approval, be and is, hereby accorded to the increase in remuneration payable to Smt. Manju A. Khurana, Executive Director of Company as detailed hereunder:

- a] Salary : Rs. 2,50,000 per month
- b] Smt. Manju A. Khurana to be provided with car for use on Company's business and telephone at residence. Personal long distance calls on telephone and use of car for private purpose to be billed to Smt. Manju A. Khurana.
- c] Smt. Manju A. Khurana to be entitled to reimbursement of entertainment expenses actually and properly incurred for the business of the Company.
- d] Terminal Benefits:

Company's contribution towards Provident Fund/ Super Annuation Fund/ Annuity Fund: According to the rules of the Company to the extent that these either singly or put together are not taxable under the Income Tax Act, 1961

Gratuity: In accordance with the scheme as applicable to other senior management employees, at a rate not exceeding one-half month's salary for each completed year of service.

Encashment of Leave : Privileged Leave encashment as per rules of the Company at the end of the tenure of the agreement.

FURTHER RESOLVED THAT the Board of Directors of the Company or any sub committee thereof, be and is hereby authorised to alter or vary the terms and conditions of the said Agreement, from time to time in such manner as may be agreed upon between the Company and Smt. Manju Khurana and within limits prescribed by the Companies Act, 1956"



MSK Projects (India) Limited

9. To Consider and if thought fit, pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to provisions of section 198, 309, 310 and subject to provisions of Schedule XIII and any other applicable provisions, if any, of the Companies Act, 1956, the approval, be and is, hereby accorded to the increase in remuneration payable to Shri C. Mohanan, Executive Director of Company as detailed hereunder:

- a] Salary : Rs. 50,000 per month
- b] Shri C. Mohanan to be provided with car for use on Company's business and telephone at residence. Personal long distance calls on telephone and use of car for private purpose to be billed to Shri C. Mohanan.
- c] Shri C. Mohanan to be entitled to reimbursement of entertainment expenses actually and properly incurred for the business of the Company.
- d] Terminal Benefits:

Company's contribution towards Provident Fund/ Super Annuation Fund/ Annuity Fund: According to the rules of the Company to the extent that these either singly or put together are not taxable under the Income Tax Act, 1961

Gratuity: In accordance with the scheme as applicable to other senior management employees, at a rate not exceeding one-half month's salary for each completed year of service.

Encashment of Leave : Privileged Leave encashment as per rules of the Company at the end of the tenure of the agreement.

FURTHER RESOLVED THAT the Board of Directors of the Company or any sub committee thereof be and is hereby authorised to alter or vary the terms and conditions of the said Agreement, from time to time in such manner as may be agreed upon between the Company and Shri C. Mohanan and within limits prescribed by the Companies Act, 1956"

10. To Consider and if thought fit to pass, with or without modification (s), the following resolution as a special resolution:

"RESOLVED THAT in supersession of the earlier resolution passed at the Extraordinary General Meeting held on 26th December, 2005 and pursuant provisions of section 293 (1) (d) or any other applicable provision(s), if any, of the Companies Act, 1956, the Authority be and is, hereby accorded to the Board of Directors for borrowing any sum or sums of money from time to time from any one or more of the Company's bankers and/or from any one or more other persons, firms, bodies corporate, or financial institutions whether by way of cash credit, advance or deposits, loans or bill discounting or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties whether movable or stock-in-trade (including raw materials, stores, spare parts and components in stock or in transit) and work-in-progress and all or any of the undertakings of the Company notwithstanding that the moneys to be borrowed together with moneys already borrowed by Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, upto a total sum of Rs. 500,00,00,000 (Five Hundred Crores) over and above its Paid up Capital and Free Reserves, from time to time, exclusive of interest, and the Directors are hereby further authorised to execute such deeds of debentures and debenture trust deeds or mortgage, charge, hypothecation, lien, promissory notes, deposit receipts and other deeds and instruments or writings as they may think fit and containing such conditions and covenants as the Directors may think fit.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the board which may include any sub committee thereof whether specifically constituted to exercise the powers conferred by this resolution or not, be and is hereby authorised in its absolute discretion to do all such acts, deeds, matters and things and resolve any doubts or question that may arise in relation thereto."

MSK Projects (India) Limited

11. To consider and if thought fit to pass, with or without modification(s), the following resolution as a special resolution:

"RESOLVED THAT pursuant to section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, the authority be and is hereby accorded to the Board of Directors or any sub-committee thereof, to create such mortgages, charges and hypothecations, in addition to the existing mortgages, charges and hypothecations created by the Company, on such assets, both present and future, in such manner as the Board or any sub-committee thereof may in its absolute discretion decide, in favour of all or any of the financial institutions/banks/any other investing agencies/trustees for the holders of the debentures/bonds/other instruments which may be issued to subscribed by all or any of the financial institutions/banks/any other investing agencies or any other person(s)/bodies corporate by private placement or otherwise, to secure rupee/foreign currency loans, debentures, bonds or other instruments of an equivalent aggregate value not exceeding Rs. 500 crores over and above the paid up capital and free reserves of the Company from time to time, together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on pre-payment, or on redemption, costs, charges, expenses and all other monies payable by the Company to the aforesaid parties or any of them under the Agreements/Arrangements entered into/to be entered into by the Company in respect of the said loans/debentures/bonds or other instruments.

FURTHER RESOLVED THAT the Board of Directors or any sub-committee thereof, be and is hereby authorized to do all the acts and deeds necessary and expedient for the purpose of giving effect to the above resolution including but not limited to negotiate and execute the documents for creating the mortgages/charges/hypothecations and accepting or making any alterations, changes, variations in or in the terms and conditions for the said."

**By order of the Board
For MSK Projects (India) Limited**

Place : Vadodara
Date : 02.09.2007

Chirag K. Shukla
Company Secretary



MSK Projects (India) Limited

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 24th September, 2007 to 29th September, 2007 (both days inclusive).
4. Members/Proxies should bring the Attendance Slips duly filled in for attending the meeting.
5. Members are requested to bring their copy of Annual Report at the Annual General Meeting.
6. Members desirous of seeking any information/clarification on the accounts or operations of the company are 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.
7. 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.
8. Members who wish to make nomination for the shares held in the Company may kindly send the details in the form 2B as prescribed under the Companies Act, 1956.

Annexure to the Notice:

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956: As required by Schedule XIII of the Companies Act, 1956 the required particulars are furnished below:

(A) Item No. 6, 7, 8 and 9: Increase in Remuneration of Executive Directors

Name of the Director	Shri Ashok Khurana	Smt. Manju Khurana	Shri Amit Khurana	Shri C. Mohanan
I. GENERAL INFORMATION:				
(1) Nature of Industry:	The Industry in which the Company operates is Infrastructure Development mainly in construction of Roads on BOT Basis.	The Industry in which the Company operates is Infrastructure Development mainly in construction of Roads on BOT Basis.	The Industry in which the Company operates is Infrastructure Development mainly in construction of Roads on BOT Basis.	The Industry in which the Company operates is Infrastructure Development mainly in construction of Roads on BOT Basis.
(2) Date or expected date of commencement of commercial production	Not Applicable as the Company is already operating.	Not Applicable as the Company is already operating.	Not Applicable as the Company is already operating.	Not Applicable as the Company is already operating.
(3) Financial Performance based on given indicators:	The financial Performance of the Company is detailed in Annexure 'A' attached herewith.	The financial Performance of the Company is detailed in Annexure 'A' attached herewith.	The financial Performance of the Company is detailed in Annexure 'A' attached herewith.	The financial Performance of the Company is detailed in Annexure 'A' attached herewith.
(4) Export performance and net foreign exchange collaborations	Not Applicable as the Company operates in India only.	Not Applicable as the Company operates in India only.	Not Applicable as the Company operates in India only.	Not Applicable as the Company operates in India only.
II INFORMATION ABOUT THE APPOINTEE:				
(1) Background details	Shri Ashok Khurana is the promoter of the Company and has vast experience in the field of construction of more than three decades.	Smt. Manju Khurana is also one of the promoters of the Company.	Shri Amit Khurana is a Graduate in Business Administration and is independently handling projects of the Company.	Shri C. Mohanan is also one of the Promoters of the Company and is looking after the Finance related matters of the Company.



MSK Projects (India) Limited

Name of the Director	Shri Ashok Khurana	Smt. Manju Khurana	Shri Amit Khurana	Shri C. Mohanan
(2) Past Remuneration	Before the proposed increase of remuneration, Shri Ashok Khurana was drawing a salary of Rs. 6.00 Lacs per annum.	Before the proposed increase of remuneration, Smt. Manju Khurana was drawing a salary of Rs. 3.60 Lacs per annum.	Before the proposed increase of remuneration, Shri Amit Khurana was drawing a remuneration of Rs. 3.60 Lacs per annum.	Before the proposed increase of remuneration, Shri C. Mohanan was drawing a remuneration of Rs. 3.60 Lacs per annum.
(4) Recognition or Awards	NIL	NIL	NIL	NIL
(3) Job Profile and his suitability	As the Managing Director of the Company he is the most suitable person as being in the industry for more than 30 years.	Smt. Manju Khurana looks after the General Administration of the Company.	Shri Amit Khurana, being a Management Graduate and having experience of the industry is the most suitable for the post.	Shri C. Mohanan is associated with the Company since its inception and his position is of vital importance as looking after the Finances of the Company.
(4) Remuneration proposed:	The proposed remuneration is within the limits prescribed under Sch. XIII of the Companies Act, 1956 and is as detailed in the notice convening AGM.	The proposed remuneration is within the limits prescribed under Sch. XIII of the Companies Act, 1956 and is as detailed in the notice convening AGM.	The proposed remuneration is within the limits prescribed under Sch. XIII of the Companies Act, 1956 and is as detailed in the notice convening AGM.	The proposed remuneration is within the limits prescribed under Sch. XIII of the Companies Act, 1956 and is as detailed in the notice convening AGM.
(5) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel	Shri Ashok Khurana is related to other managerial personnel of the Company viz. Shri Amit Khurana (Son) and Smt. Manju Khurana (Wife).	Smt. Manju Khurana is related to other managerial personnel of the Company viz. Shri Ashok Khurana (Husband) and Shri Amit Khurana (Son).	Shri Amit Khurana is related to Shri Ashok Khurana (father) and Smt. Manju Khurana (mother).	Shri C. Mohanan is not related to any other Managerial Personnel of the Company.
(6) Comparative Remuneration Profile with respect to Industry.	The Companies like JMC Projects (India) Ltd. and Valecha Engineers and Contractors Limited pay remuneration as detailed in Annexure 'B'.	The Companies like JMC Projects (India) Ltd. and Valecha Engineers and Contractors Limited pay remuneration as detailed in Annexure 'B'.	The Companies like JMC Projects (India) Ltd. and Valecha Engineers and Contractors Limited pay remuneration as detailed in Annexure 'B'.	The Companies like JMC Projects (India) Ltd. and Valecha Engineers and Contractors Limited pay remuneration as detailed in Annexure 'B'.

III OTHER INFORMATION:

- (1) Reason for loss or inadequacy: The Company is profit-making Company and there are no losses, neither the profits of the Company are inadequate. The profits of the Company have increased as compared to previous years but the term 'inadequate' referred to above is with reference to the section 198 of the Companies Act, 1956
- (2) Steps taken for improvement: N.A.
- (3) Expected increase in productivity and profits in measurable terms: N.A.

IV DISCLOSURES:				
(1) Remuneration Package of the managerial person	Basic Salary: Rs. 3.75 Lacs p.m. and other perquisites as per the rules of the Company, subject to the maximum limit as specified in Sch. XIII of the Companies Act, 1956	Basic Salary: Rs. 2.50 Lacs p.m. and other perquisites as per the rules of the Company, subject to the maximum limit as specified in Sch. XIII of the Companies Act, 1956	Basic Salary: Rs. 2.50 Lacs p.m. and other perquisites as per the rules of the Company, subject to the maximum limit as specified in Sch. XIII of the Companies Act, 1956	Basic Salary: Rs. 50,000 p.m. and other perquisites as per the rules of the Company, subject to the maximum limit as specified in Sch. XIII of the Companies Act, 1956
(2) Disclosure requirements	The Disclosure as required, is made in the Corporate Governance Report attached to the Directors' Report	The Disclosure as required, is made in the Corporate Governance Report attached to the Directors' Report	The Disclosure as required, is made in the Corporate Governance Report attached to the Directors' Report	The Disclosure as required, is made in the Corporate Governance Report attached to the Directors' Report



MSK Projects (India) Limited

Annexure 'A' - Financial Performance:

(Rs. In Lacs)		
Financial Indicator	F.Y. 2006-07	F.Y. 2005-06
Turnover	16208.18	8255.31
Profit Before Tax	1195.82	846.67
Profit After Tax	1022.78	780.75
Net Worth	18177.65	7159.05

Annexure 'B' - Comparative Remunerative Profile with respect to Industry:

(Rs. In Lacs)		
MSK Projects (India) Limited	JMC Projects (India) Ltd*	Valecha Engineers and Contractors Ltd*
Turnover	50020	25146
Capital	1814	729
Profit After Tax	1590	2775
Remuneration Paid to Executive Directors	160	120

*The amount of remuneration given is as provided in the respective annual reports of the abovementioned companies and values are approximate to the extent of commission and are not authenticated by the respective companies except as provided in the annual report.

The Meeting of Board of Directors dated 30th April, 2007 has increased the remuneration payable to the Executive Directors with effect from 1st April, 2007 for the remaining term of their respective appointment as per the service Agreements with the Company. The Board has also appointed Shri Amit Khurana as Joint Managing Director with effect from 30th April, 2007. This Explanatory Statement together with the Notice should be treated as an abstract under section 302 of the Companies Act, 1956.

The revised remuneration is reviewed and recommended by the Remuneration committee, formed under requirements of the Clause 49 of Listing Agreement which requires that all the members of such committee have to be an Independent Directors. The Company has duly formed Remuneration Committee of the Board of Directors consisting of all Independent Directors.

The Remuneration as decided above is within the limits prescribed under the provisions schedule XIII and other applicable provisions of the Companies Act, 1956.

None of the Directors, except Shri Ashok Khurana, Smt. Manju Khurana, Shri Amit Khurana are concerned or interested in the resolutions as set out in item no. 6, 7 and 8 and none of the Directors other than Shri C. Mohanan is concerned or interested in the resolution as set out in item no. 9.

The Board recommends the resolutions as set out in the notice for your approval and acceptance.

(B) Item No. 10 and 11 :

Increase in limits of Borrowing Power and the Power to lease or mortgage the properties of the Company of Board of Directors.

The shareholders at their meeting held on 26th December, 2005 have accorded the authority to the Board to borrow in excess of Paid up Capital and Free Reserves to the extent of Rs. 150 crores. The Company has grown rapidly since then and the present day scenario is different than what it was. Under section 293(1)(d) of the Companies Act, 1956, the Board of Directors cannot, except with the consent of the Company in general meeting, borrow moneys apart from temporary loans obtained from the Company's bankers in the ordinary