



Promised.

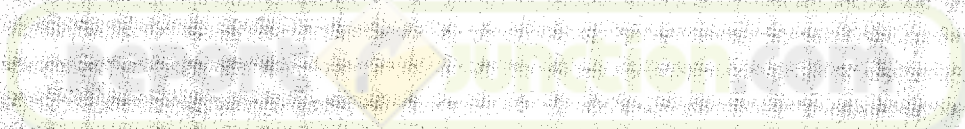
Delivered.

Delighted.

MSK Projects (India) Limited Annual Report 2008-09

Forward looking statement

Statements in this report that describe the Company's objectives, projections, estimates, expectations or predictions of the future, may be 'forward-looking statements' within the meaning of the applicable securities laws and regulations. The Company cautions that such statements involve risks and uncertainties and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include raw materials' cost or availability, cyclical demand and pricing in the Company's principal markets, changes in government regulations, economic developments within the countries in which the Company conducts business, and other factors relating to the Company's operations, such as litigation, labour negotiations and fiscal regimes.



Contents

Corporate Information 01 Notice 02 Directors' Report 04 Report on Corporate Governance 08

CEO/CFO Certificate 16 Management Discussion and Analysis 17 Auditor's Report 19 Balance Sheet 22

Profit and Loss Account 23 Schedules 24 Accounting Policies and Notes on Accounts 36 Balance Sheet Abstract 45

Cash Flow Statement 46 Subsidiary Accounts 49 Consolidated Financial Statements 83

Corporate Information

Board of Directors

Shri Ashok Khurana, Chairman

Shri Amit Khurana, Managing Director

Smt Manju Khurana, Executive Director

Shri C. Mohanan, Executive Director

Shri Ashok Gandhi, Director

Shri Mayur Parikh, Director

Smt Dipti Shah, Director

Shri Sanjay Mehta, Director

Shri Nirmal Gangwal, Director

Company Secretary

Shri Bharatsinh C. Parmar

Registered office

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

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

Principal bankers

Corporation Bank

IDBI

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

NOTICE

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Company will be held on Wednesday, the 30th day of September 2009 at 09.00 a.m. at Vanijya Bhavan, Near Race Course Circle, Vadodara -390007, Gujarat to transact the following business:

Ordinary Business :

1. To consider, approve and adopt the Balance Sheet as on March 31, 2009 and the Profit & Loss Account for the year ended on that date together with the Directors' and Auditors' Report thereon.
2. To declare dividend on Equity Shares.
3. To appoint a director in place of Smt. Dipti Shah who retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself, for re-appointment.
4. To appoint a director in place of Shri. Sanjay Mehta who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself, for reappointment.

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."

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

Place: Vadodara
Date: June 30, 2009

Bharatsinh C. Parmar
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 September 22, 2009 to September 30, 2009 (both days inclusive) for determining names of members eligible for dividend on Equity shares if declared at the meeting.
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 to 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 days prior to the AGM, so that the required information can be made available at the meeting.
7. Members, who hold shares in dematerialised form, are requested to bring their depository account number (Client ID No.) for easy identification and recording of attendance at the meeting.
8. Members are requested to encash their past dividend, since dividend which remains unpaid or unclaimed for a period of seven years from the date they became due for payment will be transferred by the Company to IEPF.
9. 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 which is

available with the Registrar and Share Transfer Agents of the Company, on request.

10 Non-Resident Indian Members are requested to inform the Company's Registrars and Transfer Agent, M/s. Purva Sharegistry (India) Private Limited, immediately of :

- a) Change in their Residential status on return to India for permanent settlement.
- b) Particulars of their Bank Account maintained in India with complete name, branch, account type, account

number and address of the Bank, Code Number if not furnished earlier.

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

Place: Vadodara
Date: June 30, 2009

Bharatsinh C. Parmar
Company Secretary

Annexure 'A'

[Pursuant to Clause 49 of the Listing Agreement]

Details of the Directors seeking appointment or reappointment at the ensuing Annual General Meeting

Name	Smt. Dipti Shah	Shri Sanjay Mehta
Director Identification Number	00071429	00007582
Date of Birth	14.06.1960	03.02.1966
Qualifications	F.C.S.	B.Sc., F.C.A.
Expertise	<p>Smt. Dipti Shah is a Fellow member of the Institute of Company Secretaries of India, having vast experience pertaining to Companies Act, 1956 and other laws.</p> <p>She is on the Board since September 30, 2005 as Director.</p>	<p>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.</p> <p>He is on the Board since September 30, 2005 as Director.</p> <p>He is also on the Board of Syncom Formulation (India) Limited.</p>
Other Details	<p>She does not hold directorship in any other company nor is a member of any committee in any other company.</p>	<p>He is a member of Audit Committee, Shareholder / Investor Grievance Committee & Remuneration Committee of Syncom Formulation (India) Limited.</p>
No. of Shares held	NIL	NIL
Relationship with other Directors	<p>Smt. Dipti Shah is not related to any of the directors of the Company or any person in the senior management</p>	<p>Shri Sanjay Mehta is not related to any of the directors of the Company or any person in the senior management</p>



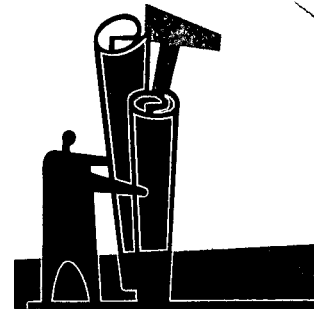
Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the 15th Annual Report together with the audited financial statement along with the Report of the Auditors for the year ended on March 31, 2009.

Brief overview of the Company's financial performance during the year

Particulars	2008-09	2007-08
Contract receipts	32,312.79	16,859.34
Capital cost for owned projects	1,241.81	5,634.09
Toll collection	3,037.14	1,918.42
Other income	439.47	299.20
Change in work-in-progress	814.40	287.08
Total income	37,845.64	24,998.13
Total expenditure	35,209.18	22,998.84
Profit before tax	2,636.46	1,999.28
Extra ordinary items	-	40.57
Prior period income	(102.38)	7.82
Less: Provision for tax	369.43	(332.54)
Profit after tax	2,369.42	1,715.13
Proposed dividend	228.21	228.21
Tax on dividend	38.78	38.78
Balance carried to balance sheet	6,902.84	4,533.42
Earning per share (Rs.)	10.38	9.01
Dividend per share (Re.)	1.00	1.00



I. Performance during the year under review

Turnover: Turnover of the Company jumped from Rs. 250 crore to nearly Rs. 378 crore which shows an increase of Rs. 128 crore or 51.2%.

Profit before taxes: Profit before taxes jumped from Rs. 19.99 crore to Rs. 26.36 crore, registering an increase of Rs. 6.37 crore or 31.86%.

Profit after taxes: Net profit after taxes (PAT) also increased from Rs. 17.15 crore to Rs. 23.69 crore which reflects a growth of Rs. 6.54 crore or 38.13%.

The performance reflected your Company's abilities to make concrete efforts to achieve its commitments and that is our strength, as we have always said and we reiterate – 'concrete commitment is our strength'

II. Dividend and amount carried to reserves

Your Directors recommended a final dividend payment of Re.1 per share on equity shares for the year ended March 31, 2009, which, if approved by

the members at the forthcoming Annual General Meeting, will be paid out of the current profits to the shareholders whose names shall appear on the register of members of the Company as on September 22, 2009.

III. Initiatives on hand

During the year up to date of the Report, the Company secured further orders in its order book as detailed hereunder

■ Earthwork in formation construction of bridges, P-way work and other miscellaneous works in connection with railway sidings (Part-A) for BPCL Bina Despatch Terminal, Bina (MP) from Bharat Petroleum Corporation Limited. (Estimated project cost: Rs. 3,320.60 lakhs)

■ Civil and structural work of residue upgradation and MS/HSD quality improvement project for Indian Oil Corporation Ltd, Gujarat Refinery, Baroda. (Rs. 1,259.56 lakhs)

■ Non plant buildings (EPCC-12A package) for Panipat Naphtha Cracker Project of Indian Oil Corporation Ltd, New Delhi. (Rs. 15,399.99 lakhs)

■ Providing, erecting and commissioning of Barvi Hydro Electric Project (5 MW) on BOT basis including all civil, electrical and mechanical works for Maharashtra Industrial Development Corporation. (Rs. 4,000.00 lakhs)

■ Design, engineering procurement, construction and installation of telephone exchange building for PNCP as an extra item under EPCC 12-A package from Indian Oil Corporation Ltd. Refineries Division, New Delhi. (Rs. 94.06 lakhs)

■ Polishing pond (EPCC-15) FOR Panipat Naptha Cracker Project of M/s Indian Oil Corporation Ltd, Refineries division, New Delhi. (Rs. 3,002.67 lakhs)

■ Construction of polishing pond, evaporation pond and other associated work for Bina Refinery project from Bharat Oman Refineries Ltd. (Rs. 510.19 lakhs)

The total value of outstanding order book as on June 30, 2009 was 426.62 crore including the Company's share in joint venture projects.

IV. Deposits

During 2008-09, the Company did not accept any public deposits as per the Section 58A of the Companies Act, 1956 and rules made thereunder.

V. Directors

In accordance with the requirements of the Companies Act, 1956 and Article 150 of the Articles of Association of the Company, Smt Dipti Shah and Shri Sanjay Mehta, Directors of the Company, will retire by rotation in the Annual General Meeting and being eligible offer themselves for reappointment.

The details of the Directors seeking appointment or reappointment as required by Clause 49 of the Listing Agreement are provided in the Annexure to the Notice convening the Annual General Meeting.

VI. Auditors

The Company's statutory auditors, M/s Chandrakant & Sevantilal & J. K. Shah & Company, Chartered Accountants, retire at conclusion of this Annual General Meeting and being eligible they offer themselves for reappointment. The Auditors confirmed that, if appointed, their appointment will be within the limits as laid down under Section 224(1B) of the Companies Act, 1956.

VII. Internal control systems

The Company has an adequate system on internal control to ensure compliance with policies and procedures. Internal audits are regularly carried out to review the internal control systems. The internal audit reports along with implementation and recommendations contained therein

are constantly reviewed by the Audit Committee of the Board.

VIII. Subsidiaries

The Company had following subsidiary companies as on March 31, 2009:

1. MSK Projects (Himatnagar Bypass) Private Limited
2. Super Infrastructure & Toll Bridge Private Limited
3. MSK Projects (Kim Mandvi Corridor) Private Limited

A statement under Section 212 of the Companies Act, 1956 in respect of the subsidiary companies is enclosed as 'Annexure A' with the annual accounts for information of members and the audited financial statements for the year ended March 31, 2009 of these subsidiary companies are also attached as required under the Act.

IX. Employee particulars

Information as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, forms a part of the Directors' Report for the year ended March 31, 2009 and it is attached herewith as Annexure 'B'.

X. Directors' responsibility statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm, to the best to their knowledge and belief:

- (i) That in preparation of the annual accounts, the applicable accounting standards were followed along with proper explanation relating to

material departures

- (ii) That the Directors selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the Company's state of affairs at the end of the financial year and of the Company's profits for the period.
- (iii) That the Directors took proper and sufficient care to maintain adequate accounting records in accordance with the provisions of this Act for safeguarding the Company's assets and for preventing and detecting fraud and other irregularities
- (iv) That the Directors prepared the annual accounts on a going concern basis.

XI. Report on Corporate Governance and Auditor's Certificate

A separate section on Corporate Governance and a certificate from the statutory auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the stock exchanges forms a part of this Annual Report.

XII. Conservation of energy, technology absorptions and foreign exchange earnings and outgo

The operations of the Company are not energy intensive and therefore there is nothing to report in respect of information on conservation of energy and technology absorptions as required

under Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in report of the Board of Directors) Rules, 1988. Within the limited scope available for saving energy in construction contracts, every effort is being made for conserving and reducing its consumption.

Foreign exchange earnings and

outgo

Foreign exchange earnings Nil

Foreign exchange outgo Nil

XIII. Acknowledgement

Your Directors take this opportunity to put forward their feelings of gratitude towards the suppliers, clients, bankers, government authorities and all other stakeholders for their continuous support and cooperation. Your Directors also

thank the employees of the Company for their tremendous efforts towards achieving the Company's goals and unshakable support in making the Company – what it is today.

Your Directors acknowledge the support received from you as the Company's shareholders.

For and on behalf of the Board of Directors

Place: Vadodara

Date: June 30, 2009

Ashok Khurana

Chairman

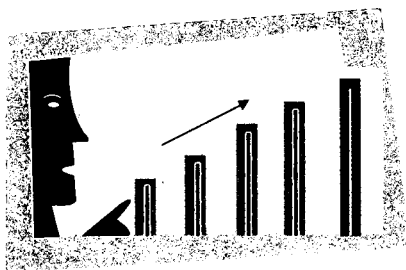
Report Junction.com

Annexure 'B'

Particulars of Employees (Pursuant to Section 217(2A) read with Companies (Particulars of Employees) Rules, 1975 as amended

(Rs. in lakhs)

Name of the employee	Designation	Qualification	Age	Date of joining	Experience	Gross remuneration	Past employment
Shri Ashok Khurana	Chairman	B.Com	66	20.12.94	41	1.00	Nil
Shri Amit Khurana	Managing Director	B.B.A.	31	20.12.94	11	1.00	Nil
Smt Manju Khurana	Executive Director	M.A.	59	20.12.94	26	75	Nil



Report on Corporate Governance

1. Company's philosophy on code of Governance

Corporate Governance at MSK PROJECTS is the continuous process to strive for most efficient management of the business to achieve its goal of overall well being and welfare of all the stakeholders. The essence of the Corporate Governance policy at MSK PROJECTS is the ideology of transparency and openness in the management of the affairs of its business.

Your Company confirms the compliance of Corporate Governance as contained in Clause 49 of the Listing

Agreement, the details of which are given below

2. Board of Directors

i. Composition of Board.

The Board comprises nine Directors, of which four Directors are Executive Directors who are also promoters of the Company. Shri Ashok Khurana, an Executive Director is the Chairman of the Company.

The composition of the Board and attendance of the Directors in Board meetings was as under

Name of the Director and category	Attendance in Board meetings	Number of other directorships@	Number of other Board Committees		Attendance in last AGM
			Chairman	Member	
Shri Ashok Khurana Chairman	5	2	Nil	Nil	Yes
Smt Manju A. Khurana Executive Director	5	Nil	Nil	1	Yes
Shri Amit Khurana Managing Director	5	2	Nil	Nil	Yes
Shri C. Mohanan Executive Director	Nil	1	Nil	2	Yes
Shri Ashok Gandhi Independent Director	5	9	Nil	8	Yes
Smt Dipti Shah Independent Director	5	Nil	1	Nil	Yes
Shri Mayur Parikh Independent Director	5	5	4	1	Yes
Shri Sanjay Mehta Independent Director	1	1	Nil	2	No
Shri Nirmal Gangwal Non-Executive Director	Nil	4	Nil	3	No

@ Only directorships held in Indian public limited companies are considered.

* Only Chairmanship/membership of Audit Committee and Shareholders' Grievance Committee are considered (includes Chairmanship/membership held in MSK Projects (India) Limited).